

**Joint Economic Development Organization Board Minutes
December 12, 2018**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, December 12, 2018.

The Joint Economic Development Organization (JEDO) Board members met at 6:00 p.m. with the following voting Board members present: Shawnee County Commissioners Kevin Cook, Shelly Buhler, and Bob Archer, City of Topeka Mayor Michelle De La Isla (arrived at 6:31 p.m.), Deputy City Mayor Brendan Jensen, City Councilmember Michael Padilla, and City Councilmember Michael Lesser. Shawnee County Commissioner Kevin Cook presided as JEDO Chair.

The following nonvoting JEDO Board members were present: City Councilmembers Karen Hiller, Aaron Mays (left at 8:34 p.m.), and Jeff Coen.

The following nonvoting JEDO Board members were absent: City Councilmembers Sandra Clear, Sylvia Ortiz, and Tony Emerson.

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

Betty Greiner, JEDO Finance Committee Treasurer & Shawnee County Audit Finance Director; Molly Howey, Senior VP of Economic Development for GO Topeka; Keith Warta, CEO Bartlett & West/2018 Chair GO Topeka Board of Directors; Kurt Kuta, Momentum 2022, Quality of Place Workgroup Chair; Pat Michaelis, Chair, Downtown Topeka Foundation; Kurt Young, Executive Director, Topeka Lodging Association; Karl Watson, Owner, Ad Astra Fiber; Kellen Seitz, General Manager, Kansas Expocentre, Spectra Venue Management; Lazone Grays, President/CEO, IBSA, Inc.; Carol Marple; Matt Pivarnik, President and CEO for GO Topeka; Jim Crowl, Shawnee County Counselor; Barbara Stapleton, VP of Workforce and Education for GO Topeka; Gina Milsap, CEO, Topeka and Shawnee County Public Library; Natalie Zeller, Senior VP of Finance for GO Topeka; Bryce Liedtke, Greater Topeka Partnership Youth Commission; Nicole Bloomquist, Greater Topeka Partnership Youth Commission; Jeff Russell, VP of Operations, Reser's Fine Foods; Lenora Kinzie, Topeka JUMP

ITEM NO. 3: ACTION ITEM: Approval of September 12, 2018 JEDO Board meeting minutes.

Commissioner Archer moved to approve the September 12, 2018 meeting minutes as presented. Councilman Lesser seconded. Following a roll call vote, motion carried unanimously (6-0).

ITEM NO. 4: ACTION ITEM: Consider recommendation by the JEDO Finance Committee to award bid for JEDO 2018 Audit Services

Betty Greiner, JEDO Finance Committee Treasurer & Shawnee County Audit Finance Director presented to the Board.

Ms. Greiner stated the JEDO Finance Committee issued a Request for Proposal (RFP) for the JEDO Audit. The bid was for three years beginning in 2018, with the right to extend the engagement for two additional one year periods. We received three bids and also two no-bid letters stating the company would not be submitting a bid. All three bidders were qualified firms. The JEDO Finance Committee met and reviewed the bids. The Committee consists of the Shawnee County Public Works Director, the Topeka Public Works Director, the Shawnee County Financial Administrator, and the City Manager designee, which is the City Finance Director. Two firms tied for the lowest bid at \$5,800.00 – one of those being our current auditor. The other bid was 38% more at \$8,000.00 for the first year. Years 2 and 3 will have an approximate 3% increase each year. The Committee discussed the benefits of changing auditors after a certain number of years to have fresh eyes, a different perspective, and also to show the

public that we are looking at all those things that should be looked at. Therefore, the Committee is recommending that the JEDO Board award the bid for audit services to Summers, Spencer & Company, P.A. If this is awarded to them, we would then come back to the JEDO Board at the February meeting for them to approve the engagement letter.

Commissioner Archer moved to accept the recommendation of the JEDO Finance Committee to award the bid for the JEDO 2018 Audit Services to Summers, Spencer & Company, P.A. and authorize negotiation of a contract with the vendor which will be brought back before the JEDO Board for final approval. Councilman Lesser seconded. Following a roll call vote, motion carried unanimously (6-0).

ITEM NO. 5: ACTION ITEM: Approval of Funding for Project Purple

Molly Howey, Senior VP of Economic Development for GO Topeka presented the request to the Board.

Project Purple Summary

- Industry Type: Professional Services (existing company)
- Average Wage: \$52,000 annually, plus benefits
- Number of Jobs: 220 new jobs over five years
- Annual Economic Impact: \$48.5 million each year

Incentive Proposal

- \$5,500 per new job x 220 new jobs = \$1,210,000
- \$1,000 per new employee for training x 220 new employees = \$220,000
- TOTAL PROPOSED INCENTIVE = \$1,430,000

Commissioner Cook asked after tonight's action, this would then go back to GO Topeka to discuss with Project Purple and moving forward with a public announcement and also further action by JEDO, correct?

Ms. Howey stated that is correct, the plan is to have an agreement with an announcement at the February, 2019 JEDO Meeting.

Deputy Mayor Jensen moved to approve the funding for Project Purple. Commissioner Buhler seconded. Following a roll call vote, motion carried unanimously (6-0).

ITEM NO. 6: PRESENTATION: GO Topeka Quarterly Report

Keith Warta, CEO Bartlett & West/2018 Chair GO Topeka Board of Directors appeared and stated he wanted to start things off by thanking the JEDO Board for their service to the community and for partnering with GO Topeka to create a new community strategy. A strategy that recognizes that economic development is more than just business attraction, but it is quality of place, it is workforce development, it is all about image improvement, it is a lot of different things. He also wants them to know GO Topeka is governed by an active Board of Directors and an Executive Committee filled with community leaders. This group is passionate about making our community better, which we can all agree is the root of economic development. Our Board understands we are accountable to JEDO and our community and we work to provide a high degree of transparency. Our Directors hope to have an even closer relationship with the JEDO members to provide more communication and understanding between the two entities and relate to moving our community forward. The GO Topeka Board will be conducting a retreat on January 7, 2019 to gain consensus on some important business attraction items, things like

industry targets and incentives. He would like to invite each one of them to attend. Finally he wants to make sure that they realize that GO Topeka's staff is one of very high quality, it is nationally recognized. He wants to public thank Molly Howey, Matt Pivarnik, and the rest of the GO Topeka staff, they are doing an amazing job.

Molly Howey, Senior VP of Economic Development for GO Topeka reported the quarterly update:

- EMBD
 - Bootcamp
 - FastTrac Graduation
 - Commercial Kitchen
 - Small Business Incentives

- Innovation
 - Katrin Holzhaus, SVP of Innovation
 - Advisory Board Formed
 - Entrepreneurship Guides

- Workforce
 - SOTO Ride to Work
 - CaRE Program
 - iINCLUDED

- Together Topeka
 - Discovery Kindergarten
 - Youth Employment Program
 - TCALC
 - 2018 National Pacesetter

- New/Existing Business
 - 31 Active Projects in the pipeline for new business
 - Met with over 60 site consultants in Quarter 3
 - In the running to attract a potential U.S. Headquarters with over 500 new jobs. Presented to the site selector only to find out we were eliminated due to concerns over lack of population growth.
 - Reviewing incentive guidelines in conjunction with Momentum 2022 Work Group
 - New staff member starting in February to fill role of Existing Business Director

Commissioner Cook asked if the full GO Topeka Quarterly Report is available, not just to the JEDO Members, but if the public wanted to read the report, how would they do so?

Ms. Howey responded that the Quarterly Reports are posted on the JEDO website (jedocodevo.com). We also send out a Management Report to the JEDO Board and if anyone from the community is interested in receiving that, they can contact her as well.

ITEM NO. 7: ACTION ITEM: Quality of Place Project Funding

Kurt Kuta, Momentum 2022, Quality of Place Workgroup Chair reported to the Board. If they recall, at last December's JEDO meeting there was discussion for use of some carryover funds, an amount of \$2 million was set aside for Quality of Place which was more a conversation starter. From that meeting much discussion was had and in May, 2018 the JEDO Board passed a resolution on criteria which would have to be met in whole or in part for some of the carryover funds to be used on Quality of Place projects. The Momentum 2022 Quality of Place Work Group provided a panel of individuals (private citizen panel) to go through the process of considering projects. Information was then presented to the County Commission, the City Council, and also JEDO. We accepted applications through October 22, 2018 and then after that over the course of two days, the panel met with the applications. We received 16 applications, with 15 of those applications being forwarded to the panel for review. The presentations that were heard all had merits for consideration and everyone who came in certainly had a passion for what their projects were and that made the process very challenging at times. But it was energizing to see the passion and the interest these various entities had with their projects, and not only moving these projects forward but how they fit in with our overall effort of our community.

- Panel Assessment Process
 - Resolution criteria assessed
 - Priorities/Premiums placed on:
 - Projects not programming
 - Quality of Place, not Quality of Life
 - Velocity of projects getting completed (12-18 months)
 - Shared funding sources including private dollars
 - Should not be sole source of funding
- Panel Recommendation Process
 - Panel recommending funding four projects
 - Presented to GO Topeka Executive Committee on 11/7/18.
 - Executive Committee approved the recommendations to be presented to GO Topeka Board on 12/7/18 for review and approval to present to JEDO
 - JEDO Meeting on 12/12/18 – presentation and consideration for final approval

Quality of Place Project – Recommendation #1



JAYHAWK THEATRE - \$53,000

- Partial funding of one Jayhawk request
- Will provide funds to connect building to city water & sewer
- Can be done quickly
- Will be done before Jayhawk starts its larger campaign in 2Q2019
- Having fully functioning facility should help with existing programming and fundraising efforts

Quality of Place Project – Recommendation #2



NOTO REDBUD PARK & DIST. IMPROVEMENTS - \$644,000

- Partial funding of request
- Closes gap in funds
- Will be completed in 2Q2019
- Parking space in NOTO to address parking issues
- Balance for general district improvements
- \$2.1 Million campaign that has already started
This award will fund part of this campaign

Quality of Place Project – Recommendation #3



THE DOWNTOWN PLAZA - \$1,250,000

- Partial funding of request
- Award is one of final parts to the overall Plaza funding effort which includes mostly private/corporate funds
- Project ready to start - completion targeted for late 2019 or early 2020
- Funding sources in place for upkeep and programming

Quality of Place Project – Recommendation #4



AUBURN EXERCISE PARK PROJECT - \$53,000

- Funding the cost of the equipment
- Installation and other costs incurred by City of Auburn
- Can be completed early 2019

Commissioner Cook asked those that had signed up for public comment to speak prior to further discussion being had.

The following individuals appeared to speak for public comment on Item No. 7:

1. Pat Michaelis, Chair, Downtown Topeka Foundation stated he could say a lot of things but he would rather answer any questions they may have. He would say he believes this is a business decision. Where do you get the most bang for your buck? Where does the community get the best return? He would submit that the Downtown Plaza is going to be at the top of that list.
2. Kurt Young, Executive Director, Topeka Lodging Association stated there is most likely nothing new to be said here tonight to contribute to their decision regarding these awards. They have heard the presentations and have followed the progress regarding the Downtown Plaza. The progress on the efforts of the plaza has been followed in the media for the last four years. The roots of this dream can be traced to several different origins, but the first that really sprouted and produced some positive results were in 2014 and 2015 when the Topeka Lodging Association solicited the City of Topeka to set aside some transient guest tax dollars for the development of a plaza. That was accomplished. Mr. Kuta spoke of operation funding, and just last year the Topeka Lodging Association stepped forward again and instituted a Tourism Business Improvement District which is going to generate probably between \$400,000 to \$450,000 per year in funding for the operations. Add to that the most recent donations of \$2.5 million each from both Evergy and Capitol Federal. And we are now in the enviable position of nearing the ending of the fundraising process. Tonight, we ask that you put the capstone on this process with the award that has been recommended tonight so this project may move forward. The lodging industry representatives who are here tonight are present to witness the culmination of a dream that began. In all his years of civic involvement in Topeka, he has never seen anything that has garnered as much support and volunteer effort as this project has and it is really a tribute to the whole effort.

(Mayor De La Isla arrived at 6:31 p.m.)

3. Karl Watson, Owner, Ad Astra Fiber stated he wanted to express his excitement about this process, he thinks this is something that can really get things funded, for him as an entrepreneur it's like this works at his speed finally, and he appreciates the effort and the requirements. So thank you to JEDO for finding a policy way to speed up some of these decisions and they have an opportunity tonight to fund four terrific projects. His disappointment is of course that he is not included as one of those four projects. He presented a plan to hook up 1,500 homes in the next year to high speed internet, and those home were in various areas, some in the County, some in affordable housing. And tagged onto that was the ability to access and connect with thousands of tourists and visitors that would get free Wi-Fi in downtown Topeka as well as in NOTO. He knows a couple things about his plan. It is bigger than just him and it needs help. There is only one thing he knows about his plan for sure, which is that it is wrong. What he would ask for tonight is participation from the community. He is ready to hook up 1,500 homes. He knows how to do it, he needs help and he is here tonight as an entrepreneur out of 712 Innovations starting his own business. He just wants to put it out there, he is excited for the next agenda item tonight to talk about community broadband in general.

4. Kellen Seitz, General Manager, Kansas Expocentre, Spectra Venue Management stated he would like to thank them for allowing him to be here and to Mr. Kuta and the committee for allowing them to present the proposal on behalf of the Kansas Expocentre, and thanks to the JEDO Board for this exciting funding opportunity. We are slightly disappointed the Expocentre was not chosen so he believes the rest of the presentations must've had very good merit. He would like to re-encourage the group tonight to think about when they are allocating these funds, what type of impact those funding dollars have in the community. As they are aware, the Kansas Expocentre is undergoing a \$32.5 million renovation over the next 20 to 24 months and our request was to cover some of that gap funding that we currently have in between the architectural budget and what funding we currently have. He would like to read off a couple statistics, based on the Kansas Expocentre's renovations over the next couple of years, the increase and economic impact levels, based on the CS&L study, are due to increase about 60%. That directly correlates to over \$20 million in economic impact direct spending for Shawnee County and the City of Topeka for our renovation project.
5. Lazone Grays, President/CEO, IBSA, Inc. stated he sent some information to them in advanced that was rather lengthy because he knew that there would not be much he could express in just four minutes, but he did try to lay out the reason why he thought the project he submitted for central Topeka should be funded. It was not recommended for funding. He has been working in this community for awhile, has been coming to these meetings for many years, and has tried to make positive things happen. And he can understand when there is energy that is going on, especially with downtown and the riverfront, we have new leadership, Momentum 2022, it is very easy to get sucked into that one sided way of thinking. But from the very beginning of the sales tax, one of the things that he has tried to do is think about the equity portion of this. Because left by its own devise, when the sales tax first came up for economic development, no one was thinking about anything until someone had to speak up about that 10%, because normally when these decisions are being made there are some people that are not in the room and for whatever implicit reason they just don't come up on the radar. And so whether these were additional funds that hadn't been spent, he would think they would want equity to apply to these funds just as well instead of just one area taking all of that access and resources off the table. It is not that he is just an east Topeka guy or a central Topeka guy, or a poverty guy.

One of the things that he submitted with his proposal was the City's neighborhood map so that when the opportunity presented itself to apply for this funding, and he had been looking at this building way before this came up, he looked at the area, what was needed, and wasn't putting together the proposal because of how much money was available, but because of what he knows about this city and this community. What he did not have to share at that time were the letters of support that he had received from Doorstep, who owned the building, and the Tennessee Town NIA. Now they might not have been on the panel who reviewed the proposals and made a recommendation but these are the people who probably know what is going on and what is needed in their neighborhoods.

Support for the downtown project isn't going anywhere. Matt and Vince are not going to let that happen, company executives here are not going to let that happen. And he could not think of any type of funding or support that the JEDO in general did in that neighborhood and he thinks this would be a good opportunity to do such. He is here to appeal the recommendation for funding. If he would've known how much was available he still would've submitted something for \$90,000 because that was a large amount, but he shared with them an alternative amount he could've submitted. Because he thinks that the necessity of programming and projects in this area is what is important. When he traveled with Commissioner Buhler, and Matt, and Molly down to Kansas City and we

walked through the NE Wyandotte County neighborhood community technology center, right across the street from the oldest and largest public housing development centers, that is already what he has seen that was going to happen in these communities here. He would hope that they would see that equity and distribution of public funds in this instance right here should be of value to send a message that it's not just about a few organizations in one part of town, it just doesn't make sense to him.

6. Carol Marple stated that Mr. Grays is always a very tough act to follow and she agrees with what he has said. She knows many of them are probably thinking what on earth could she be up here griping about now because Auburn is included as one of the recipients. And she would like to thank them for including one County recipient. On a whole, the Quality of Place program, for lack of a better word, she funds pretty murky. She has troubling following how we got from point A to point B. She went back to the JEDO meeting minutes from 12/31/17 to see if maybe she hadn't paid good enough attention. She did make copies of part of the minutes to share with them. On 12/13/17 there was a mention, a question about quality of place. And behind that it said \$2 million. She did not realize that was voted on. On 2/28/18, Commissioner Cook stated "let us come back in May with a proposed actionable plan." On 5/9/18 a resolution was signed for establishing a policy for use of economic development funds, again there was no amount. Some of the criteria for these funds were community connection, enhances community plans and objectives, an example of this was Momentum 2022. Will there be a time that Momentum 2022 will be able to qualify for these funds? Their strategy development is funded by the Topeka Community Foundation, GO Topeka, Heartland Visioning, Topeka and Shawnee County Library, and the United Way of Greater Topeka. Will any of these organizations qualify for these funds? Would it not be a conflict of interest? Included in the resolution was JEDO's economic development consultant, not specifically named. Who is that and how did they receive this title? On 9/12/18, Mr. Kuta presented during the GO Topeka quarterly report. Now this was all stated as a done deal. We have a citizens panel. She just included these reports to refresh their memory.

She also wants to address Councilwoman Hiller's concern, which are very founded. The smaller cities of this county didn't know anything about this program. She knows this because she went to Auburn, Silver Lake, and Rossville and informed them about the program. She copied off what was on the website and gave it to them. She has included the minutes from the Silver Lake meeting, that they could not apply for this program because of the short time frame. She wants to remind each and every one of them, this is why there were elected, to inform the people that live in your areas about programs like this. She doesn't understand how this is all happening. The one thing that she has seen through the years with attending these JEDO meetings is that they are very quick to pass things that should be discussed for awhile. One more thing, she was doing some quick math, if you give out the \$2 million to spend on these programs, only 5% of this will be returned to County. Now she assures them, the County people spend more than 5% in this county, and this is not fair.

Commissioner Cook stated the opportunities now before this Board are that we could make a motion to adopt the recommendations in full, we could send it back to the Quality of Place panel for discussion or review, or we could make motions for modifications to the proposal. What is the pleasure of this Board?

Deputy Mayor Jensen asked what the process is if this is approved from here. How are the funds expended, what is the reporting process? He would just like to know what the next phase of this is provided it is approved.

Mr. Kuta stated the panel anticipated this question as they went through the process. Since this is our first time through, there are some things we do not have all buttoned down but one of the things we know we need to have in place, after we get approval, is how the funds will be controlled as far as disbursement goes. What will not happen would be that these entities just get a check and off they go. What we will have to do is get proof that the costs are what they represented in the application process, and then control the disbursement to make sure the funds go to the projects as intended. If there is an overage, it is the project's responsibility to make sure they cover that, if it is less they just get the actual costs. But those details need to be firmly documented and then reported back. There would also be some ongoing reporting back to JEDO on where those projects are at and their effort to get to an end. What we don't want to have obviously is for some of the projects to not come online as anticipated. So this would not be the end of the conversation.

Councilman Coen asked where did the \$2 million get earmarked for quality of place. Where did that come from?

Commissioner Cook responded it was a year ago at this time where we set forth the budget for GO Topeka and at that time we had identified that there were excess funds from the carry over funds that would be used for quality of place.

Ms. Howey responded yes that is one part of that, that they funds would come from carry forward dollars that we discussed at this meeting last year. And the amount of \$2 million is what was recommended by the JEDO Chair, which last year was Mayor Wolgast.

Councilman Coen asked how is quality of place integrated into economic development. He doesn't understand the connection.

Commissioner Cook stated that JEDO took that up in our February, 2018 meeting and we had speakers come in from across the community, as well as in our May, 2018 meeting where we took forth the resolution.

Mayor De La Isla stated one of the things we have done is we have been assessing what the strategy for our community is based on the Momentum 2022 plan which is our strategic plan for the whole community, City and County. We have earmarked quality of place and quality of life as an initiative because it feeds into everything that our constituents ask for. If you recall, there were over 2,600 applications that came in, questionnaires, indicating from our community, all sectors of our community, we had leaders from different areas in the city, all provide feedback on where they wanted us to focus our funding on. In addition to that, when we received the accreditation through the International Economic Development Council, one of the things that they were talking about is we understand that as cities are evolving, there are very few cities that are going to become attractive. Right now economic development is equated to quality of place and quality of life because we are never going to get the workplace that we want if we are not able to provide these amenities that communities are craving for. And it is not just them saying it, as she has been traveling throughout the nation, it is a very high focus. We understand that nowadays the way that employment used to work is very different. Back in the day when somebody wanted to move somewhere, they would look for a job and then after we had that job with the salary and the criteria that we wanted, we would move into a community. Nowadays, it doesn't work that way. Now people are looking for the place where they want to be, where they can engage and connect, and then they find a job there. And that is why quality of place is so important for us. And again, it is not just something that we are saying is important, our community has stated it, and we have the trend in the nation is the same.

Ms. Howey stated if she may add to that, there are three legs of the economic development stool. And there has been a shift in those three focus areas in about the past year. They used to be 1) Business Attraction, 2) Business Expansion/Retention, and 3) Small Business Development. Those have now all been lumped into one of the new legs of the stool. With the other new legs being Workforce Development/Talent Attraction and Retention, and then Placemaking. And that is for multiple purposes but because we are so competitive right now. Half of the U.S. manufacturing jobs that are open right now cannot be filled and we need to do whatever we can to attract workers. She mentioned earlier tonight that we had a prospect, that we were eliminated from that site selection process, due to concerns for lack of population growth. So that ties it right back to your traditional economic development of growing jobs and investment.

Commissioner Cook stated he has been working very closely with the Youth Council, who they will hear from later tonight. And working with these young people in our community and trying to figure out how do we keep these young people in our community. What is it that we need to do to position ourselves to be more attractive, to retain young people and young talent? What is it we need to do to keep people in our community so that we don't continue to lose population growth, or have a lack of population growth?

Commissioner Buhler stated she believes all these projects have merit no doubt. Her question is concerning the sales tax. The sales tax that was passed was countywide. Those cities of the 3rd class do receive their portion of sales tax based on a formula. Then the City of Topeka and Shawnee County then come together through an Interlocal Agreement and we pool our dollars together and we have those lists of projects and then we also fund economic development of \$5 million per year. So she thinks maybe there is some impression that smaller cities do not receive benefit from the County sales tax but in fact they do receive a portion based on a formula and those cities can then do what they want with that money. There are no stipulations or restrictions.

Matt Pivarnik, President and CEO for GO Topeka stated that is his understanding of it. The \$5 million for economic development is a static number over the entire time that this tax is in place. The growth will come at the County and City levels, so while the \$5 million stays flat, the City and County's portion of the sales tax will grow.

Commissioner Cook stated he knows this was something that Commissioner Buhler was able to use while she was the Mayor of Rossville and they used sales tax to make improvements to Rossville.

Commissioner Buhler stated yes, she believes those monies go into the general fund and then that local governing body makes those decisions. She just wanted to clarify that the small cities are not left out, they are included by state statute in that formula.

Mr. Pivarnik stated he also will mention, the three legs of the economic development stool is something that was developed by the International Economic Development Council, and they actually changed the definition. And then also at the special May, 2018 meeting of JEDO, this was a special meeting to focus on discussing quality of place and quality of life. And we actually had a representative from the International Economic Development Council present to have that conversation.

Mayor De La Isla stated that she wants Mr. Grays to know and hear that we are all with you. She just came back from a Smart Cities conference in which we were talking about bridging the digital divide, and his concerns are not falling on deaf ears. And to all the other people who applied for this grant, she thinks it is so exciting, if we wouldn't have had any other applicants it would've meant there was no need for what we are talking about. But we had people that got excited and are still being excited even though they did not get the funding, which should tell all of us how big of any issue this is for our communities, City and County. A night like this reminds her of a day in she thinks it was 2012, when the City Council

was sitting in this same room and we were talking about approving \$5 million so that we could redevelop downtown. And people didn't understand what would happen if we invested the \$5 million. We didn't know if the private sector was going to come to support it. We didn't know if downtown was going to be a project that was going to be successful. And after years, three years of coming here and hearing no time after time, nobody gave up. And it wasn't until Michelle Hubbard, a young lady, stood up in front of this body and told this body that downtown sucks and if we don't do anything about it we are all going to leave. Our kids told us before 2013 that quality of life was important to them. And she thinks all of us are here because we are all advocating that we want our kids to not only want to stay here but to crave to be in their community. And it is our opportunity tonight to show them and all of the people that are looking at our community that we are a new Topeka, that yes we are going to continue the tradition, we are going to have accountability for where are money is going, but that we understand that we need to grow our population to be attractive so that we can not only attract the people but the businesses that are going to help all the boats rise in our community.

Mayor De La Isla moved to approve the Quality of Place Project Funding as presented. Deputy Mayor Jensen seconded.

Commissioner Archer stated he had some questions for Mr. Kuta. This is the ultimate no win-no thanks assignment. He is reading the resolution and it says, "A proponent of the funding of a quality of place project shall present the proposed project to JEDO's Economic Development Consultant. The Consultant shall review the project and provide a report to JEDO that discusses whether the proposed project meets the funding criteria and is recommended for approval by JEDO. He hasn't seen any report like that.

Mr. Kurt stated the way that is being executed is through GO Topeka, the GO Topeka Executive Committee, the GO Topeka Board reviewing and approving those recommendations and this report.

Commissioner Archer responded that we have very little information about the projects themselves. Was there ever any question about the committee that met being subject to the Kansas Open Meetings Act ("KOMA")? Because you are talking about allocating tax dollars.

Mr. Kuta replied that never came up.

Commissioner Archer stated that is a concern that he thinks should have been addressed. Were the meetings open to the public, were they announced in advance?

Mr. Kuta responded no they were not.

Commissioner Archer asked was there any discussions between JEDO members and members of the committee? And could he outline some of those discussions if there were.

Mr. Kuta responded that the only discussions were with Commissioner Cook on the process itself, not on the projects.

Commissioner Archer asked if there are records of the meetings, minutes from the meetings, is there anything we can review to help us understand the process and how get to the decisions that were made.

Mr. Kuta replied the review panel did not keep minutes, we did have worksheets as he indicated which were used a scorecards. He does not believe they kept those for prosperity's sake.

Commissioner Archer responded so there was a quantitative analysis but they did not keep that.

Mr. Kuta stated not as far as he is aware of. As far as things that would've been presented through the process, the GO Topeka Executive Committee and GO Topeka Board, there were some summary reports that look very similar to what was provided in tonight's packet.

Commissioner Archer stated he is just concerned with the process, the lack of documentation, the lack of information. He is reviewing the resolution and he wishes he had more info to make a decision on these. One of the things that he is looking at, in the resolution criteria, which weigh heavily on him, is projects that have been approved by a public vote. The projects they are recommending are good projects, they are great, but they have never been voted on by the public. The only two that applied and that were voted on by the public, the voters, are the Expocentre and the Topeka Zoo and that is why he has a real problem with the recommendation. He would prefer that we refer this back to the committee and review the criteria again and document the rationale for making the proposal.

Commissioner Cook stated he would not Shawnee County Counselor, Jim Crowl, was present when JEDo was drafting the resolution. A public vote, as referenced in the resolution, would mean a vote by the JEDO Board in public? Not specifically that it had to be an item that was on the sales tax ballot question?

Mr. Crowl stated he doesn't recall specifically JEDO refining it down to that level.

Commissioner Cook stated but any vote of the quality of place dollars would have to be made by JEDO.

Mr. Crowl replied yes, ultimately allocation of those funds would need to be made by JEDO.

Commissioner Cook stated and then a vote by JEDO would then constitute a public vote.

Mr. Crowl replied he does not know if that was what was intended. He will let them the JEDO Board decided what it intended when they adopted the resolution.

Commissioner Archer states the resolution talks about it in the past tense – “the project *has been* approved by public vote.” So to him, the voting public has come down on it one way or another. That is his interpretation.

Councilman Coen state in looking back, this is the money that came from the last sales tax extension from 2014. There was a newspaper article he read that said there was an organization called Future Forward that had a campaign slogan called “Vote Roads, Vote Jobs, Vote Zoo, Vote Yes” and that received 65% of the vote during that election. He is thinking that the terminology wasn't in the ballot language. That is just something he would like to point out.

Commissioner Cook state respectfully he knows that Commissioner Archer raised this same point when JEDO took up the resolution and his concerns at that time. If that was in fact the limitation, then only the Expocentre or the Zoo would be able to qualify for quality of place. No other entities would be able to qualify if that was in fact the limitation.

Commissioner Archer responded that he puts a lot of weight on what voters tell him.

Councilman Lesser stated he does share a few of the same concerns as Commissioner Archer. He does believe in the quality of place initiative. His interpretation is because of, for lack of a better term, a little bit of the vagueness of quality of place. To him, it as to be the best of the best as to what comes forward to them. He knows this is a work in progress, this is the first time going through the process from start to finish. The only hang up he has at this point in time is he also does feel like he needs a little more information on some of these projects before he can move forward an allocate the public funds for some of these. That being said, there are a couple of the projects that just become of the nature of how many times he has dealt with them in the recent past, he understands those projects and he would feel comfortable voting on those projects. As we do consider moving forward on this, he would ask that we individually look at these. Because he cannot vote in totality for all of the projects that have come forth to him tonight.

Councilman Padilla stated he is familiar with the process and Mr. Kuta gave a good overview of the steps taken to this point that they went through. Mr. Kuta mentioned a scorecard. How was the scorecard developed, what was on it, what is given what weight, if that is what helped them decide with their recommendations.

Mr. Kuta responded they went back to the resolution that JEDO passed. Each of the resolution items were given a line item and a grade, with a weight score of either 1-4 or 1-5. It was purely based off the resolution that this group passed. When we saw the number of applications that had come through, without something objective, we felt we needed to at least get things organized that way. What we found was that a lot of the projects did not fit every criteria and we didn't expect that to be the case, but the way it weighted out, it gave them some direction. More or less what it allowed them to do was drive the conversation on why we weighted something more heavily for one project over another instead of just relying on the total score. It allowed them to organize their thoughts and how we accessed each project, and really it also helped them ask specific questions of the applicants to make sure if it was addressed in the application that the panel asked those questions so we could better access the overall project.

Councilman Padilla stated he agrees with Commissioner Archer. There are still some questions he has more about the process, rather than critiquing the recommendations themselves. He feels a little less informed than he would like to be in order to make a vote. He looks at the four recommended projects and he is familiar with them, and he doesn't say in any way that they are not worthy of consideration but there is a subject that came up and that is equity. And he thinks someone mentioned that in the sense that the County via Auburn did get included in the recommendation, which he thinks is good, but there is still in his mind some question about equity as we develop and move forward in the City to make sure it is not concentrated in just one area. That would be a question that he would look at in almost any one of these applications, so he is kind of inclined to ask it to be remanded back and ask the panel to look at that as well, if it wasn't a part of their scorecard. Because there might be something in his mind that maybe doesn't meet all of these criteria but to balance what we are trying to do for the County and the City, that maybe that equity issue could be discussed in some detail, to give what maybe isn't the project that would meet all criteria, a little more consideration. He really appreciates the work that all of them have put in.

Mr. Kuta replied saying no to some things is hard, and we are also finding tonight, sometimes saying yes is harder. We were given some direction from JEDO to go forward with the process and certainly any further direction from JEDO is welcomed. And if we have to go back to it, we will see if the committee wants to get back together, but he can't guarantee that group wants to sign up again. He will point out that some of the criteria that is in the resolution is that it has to be inclusive for the community and accessible for the whole community. And that includes not just overall programming, so its public space, but also transportation to, and equity therein with that process. So he doesn't think the criteria that JEDO adopted was completely void of the inclusiveness. However, the specific example that was given today at public comment, certainly has its merits.

Commissioner Archer stated if it was to be inclusive for the whole community, the City of Auburn doesn't jive with that, to him.

Mr. Kuta responded that was once again, not every project hit all the marks. There was no perfect project.

Commissioner Archer replied he understands that. As far as what Mr. Kuta has said about the quantitative analysis, documenting priorities, etc. sounds great, he just wishes we could see that for transparency and openness to the public when we make a decision about spending \$2 million in taxpayer money.

Commissioner Cook stated at this time there is a motion on the floor that has been seconded. At this time they have heard from the body that there may be a request to defer this back to the Quality of Place committee. It is the Mayor's motion, does she wish to allow this to be deferred back or does she wish to move forward on the motion?

Mayor De La Isla stated she is really struggling here because she thinks both sides have really great points. She feels like there is a disconnect between what the community has asked us to do through Momentum 2022, by giving us the pillars as to where they want us to invest. She thinks there is a disconnect in the sense that the understanding that jobs, roads, but the deal is, this is to create jobs. She is also struggling because she does hear the fact that absolutely, we are expending \$2 million from our community and it would be nice to maybe have those numbers to show so that we could just have them for the record. But at the same time, the other concern that she has is we utilized volunteer time of key leaders in our community who didn't have to do this, to put them in this situation. And most importantly the other concern she has is that we have had significant investment in various areas that are here from the private sector, as well as individuals that are waiting to see if this body is going to reach out and say we are partnering in a private-public partnership. Her question is are any of these projects, if we were to bring them back at our next meeting in February, are any of these projects time bound to the point that by not making this vote now would significantly delay any of these projects.

Commissioner Cook stated he might note that this is also the last meeting of the year. In 2019 the JEDO Chair will shift back over to the City, and the Mayor would then be the Chair. And there would also be a change in voting members as Commissioner Buhler will no longer be with us, and we will have Commissioner Riphahn come onboard.

Mayor De La Isla responded yes and then we will have to explain everything again and go through the whole process with a new group of individuals. She would like to uphold her motion and she would look to Deputy Mayor Jensen to see if he would like to uphold his second to the motion.

Deputy Mayor Jensen stated that he will uphold his second and he also has a few comments. First and foremost, the United States of America is a republic and not a democracy and there is a key reason why it is set up like that and why it is important here this evening. The voters made a decision in 2014, and then times changed. So now we are faced with trying to answer a new definition of economic development. One that wasn't necessarily defined when voters made an initial decision. And the reason why we are a republic is because we as the governing body are entrusted with the decision, the obligation to make a decision on their behalf. And we have to try to figure out what they really want, and not necessarily what they say. Our community has come to us several times and conveyed that they want a nice place, they want amenities, they want quality of place. Now in 2014 when that ballot language was there, they may not have had the ability to communicate that. It is our job to get them what they really need and not necessarily what they have the opportunity to ask for. That is a key thing that is important. He struggles with sending this back to a group of volunteers and telling them sorry you didn't do a good enough job when we didn't give them explicit parameters and explicit instructions to follow. He does agree with

Commissioner Archer, it would be nice to see more documentation, we didn't ask them to retain it, we didn't ask them what type of documentation to produce, at least not that he can find in the resolution that we charged them with. He really struggles to push it back to them when now we are moving the goal post and hiding the ball. He would add one caveat or note to this. He does serve on the Board of the Jayhawk Theatre. He was not part of the grant application process in any way, he was not part of the review process, and after speaking with legal counsel to the fact that we are just blessing the decision made by an independent group of people who are not associated with him in any way he feels confident he can support this motion if it comes to pass. He can't foresee sending this back to the group given that they have essentially produced what we asked them to. And he certainly wouldn't want to start from ground zero which is exactly what we would do if we delayed this. We would have to start all over.

Councilman Mays stated it is his understanding that these are just recommendations. This does not have to be a take it or leave it situation. He understands the motion we have right now is an up or down vote on these four recommendations but it is up to this body to decide. If we want to change this, we can change this now. Well he can't because he is not a voting member, but the voting members can. If there are other things they want to see, let's vote on them.

Commissioner Cook stated to add clarification, just because Councilman Mays is a nonvoting member does not mean that he is not able to add input, it just means that on the final vote, he would not be able to make that final vote. We do not have to approve this in full. We are able to take this up one item at a time. We can modify the recommendations or send them back for further discussion. The motion the Mayor has made which is on the floor is to adopt the recommendations as presented.

Councilman Lesser stated one thing he will say is he is not exactly sure what exactly quality of place means and what our voters were telling us what they were wanting in that. He is sure that one of the best pieces of advice that Senator Dole gave when he worked for him was said spend your constituents' money like it is your own. And when he doesn't have all the information he can't do that. He is however, comfortable going ahead with voting on these individually because of his familiarity with some of the projects. His position is that is the route to take.

Councilwoman Hiller stated what she is hearing, she thinks that Mr. Kuta did a very good job of going through what the criteria were and they do match what is in the resolution that this body passed. She does recall asking about that public vote language. It sounds to her from the discussion that voting on them one at a time might be a good resolution. With the discussion just about equity and whether they really would attract jobs. And you have three projects that would meet that, and one there appears to be questions about.

Commissioner Archer stated he has a substitute proposal. He thinks we all agree that the Downtown Plaza is key to the success in our community. He would propose that we agree to spend \$1 million for the Downtown Plaza, and defer consideration of the other \$1 million in funding, and have that reviewed again by the citizens committee.

Commissioner Cook asked if the Mayor would accept that as a substitution to her motion.

Mayor De La Isla stated she finds it arbitrary that we would just say \$1 million for that one project, when the recommendation was different. She would not be able to support that substitution to her motion.

Commissioner Cook stated it appears it is time to take a roll call vote. The motion is to approve the recommendations as made by the Quality of Place work group, and it was approved by the Executive Board of GO Topeka, and as presented this evening.

Following a roll call vote, motion carried (4-3) with Commissioner Archer, Councilman Lesser, and Councilman Padilla dissenting.

Commissioner Cook made a motion to recess for five minutes. Commissioner Buhler seconded. Following a vote, motion carried unanimously (7-0).

(The Board went into recess at 7:27 p.m. and returned at 7:35 p.m.)

ITEM NO. 8: DISCUSSION ITEM: Washburn Tech East (ETLC Project)

Jim Crowl, Shawnee County Counselor provided an update to the Board. He stated it has been three months since the Board last met on this and this Board authorized his office to ascertain whether the original contractor, Champion Builders, was in default on the contract, and if so declare default under the contract and move forward with a claim on the bond. And that is exactly what we did and there is a contractual process for that, so it was not something that we could simply write a letter and do. We had to first request that the architect agree with us that the contractor was in default and once we received that in writing we had to notify the contractor that we felt they were in default, and give them the reasons why and give them an opportunity to cure that default or fix the problems. Of course they didn't, so once that time period lapsed we then declared default and terminated the contract officially and on the same day we notified the bond company (The Hartford) by certified mail that we were making a claim under the bond.

That triggered a meeting in early October with the bond company's representatives and legal counsel. It took a little bit of time to get that meeting organized because they had to fly in from the East Coast. During that meeting, we requested, after discussion of the various options, one of the things that matters is when you look at the requirements of the bond, when we trigger that bond, the bond company actually has several options, it isn't just do whatever the owner wants them to do, the bond company has various legal options. But one thing that the bond company offered to do, that we took up from them, was to rebid the remaining work to be done in the project. And they, through a discussion with us and our consultant Dean Ferrell, selected a list of contractors to request to make a bid. These were contractors recommended by Dean Ferrell, as contractors who he knew were well respected and well qualified to complete the project. Bids were then let by the bond company, and bids were received on November 9, 2018.

The low bidder, and there wasn't a lot of difference between the two, comes to us in high recommendation. That company is Kelley Construction, who was one of the original bidders on the project when we started the project, so they were very familiar with the project to begin with. The way the bid was set up was that the bidder should put in an amount of money in the bid to cover any unknown deficiencies in the work (by Champion) that may be discovered later. So basically the bid documents made it clear that this new contractor is going to assume the project, assume all the warranties that are going to be due on the project, and carefully inspect the project to make sure they are comfortable with what the condition is of the project, and be ready to assume all issues and take it over. So since November 9, 2018, we have been negotiating with both the bond company and Kelley Construction over what is the way forward. And the way forward will involve a settlement agreement with the bond company along with a new contract with the new general contractor.

The proposal that he would make is that we go ahead and enter into a new contract, we being Shawnee County, so that this transaction is set up in the same way it was originally to take advantage of the same sales tax exemptions. We are still working with HTK as the architect to complete the project. If we can sign and execute that contract before Christmas, then the completion date for the project will be May 1, 2019. He has spoken with representatives with Washburn Tech, and that would give them sufficient time to get into the building and staff up and be ready for Summer 2019 classes. So basically where we are at, once the delay occurred, we lost the 1st semester.

Mayor De La Isla asked what are we doing in regard to the bond company and how much is Washburn Tech going to receive as funding in support in lieu of everything they are having to do to make accommodations to provide education.

Mr. Crowl responded that is one of the issues we need to work through with the bond company in the settlement agreement. And to simply break down how that settlement agreement should work, we have an amount of money left in the project fund under the original contract. That project was about 50% completed, and we have paid about 50% of what was due under that contract. There is going to be a higher cost to complete the project now. And the bond company is going to have to, we are going to keep the money that remains in the original fund, let's call that "Fund A", the bond company is going to have to come up with "Fund B" and that the amount of money needed to close the gap between what it is going to now cost to complete and the money that we currently have. And then there is "Fund C" which is, under the original contract there was a clause for liquidated damages of \$500.00 per day and that is the last sticking point with the bond company that we are haggling over and that is how much and when does the liquidated damages start. He has been demanding the full amount from the last contract date that was in effect in December, 2018 to the new completion date of May 1, 2019. We have to reach an agreement with the bond company on that issue and we have to reach a final contract with the new general contractor.

He has a meeting set up with the general contractor and his attorney on Friday morning to hammer out the final details. We have traded contracts and he is very optimistic that we are going to be able to do that on Friday and get that completed. We have traded the settlement agreement back and forth a couple of times with the bond company. He is waiting for the bond company to respond to his request. One of the things that they have provided to him is an argument as to why they shouldn't have to pay liquidated damages from a date in December, 2018 to a date in January, 2019. Their legal counsel's response was that there is case law in Kansas that says we cannot get them back to that date, so he has asked that to be provided, because he isn't going to recommend that we simply just give that up without clear case law that indicates we are not entitled to that. So the idea would be through the liquidated damages, and one thing he has explained to the bond company is that we are not seeking a windfall through liquidated damages; we are seeking them to offset the costs that Washburn Tech has incurred due to the delay.

Another component of that is the New Markets Tax Credit program, and one of the requirements through that program is that the project funds related to the project must be spent on the project, so we can't simply grab a windfall and use it for something else. He has also contacted Jeff White, our consultant for the New Markets Tax Credit program. He has been receiving copies of the draft contracts to make sure they are aware of the structure of what we are proposing and to make sure there are no concerns. So far they have not communicated any issues to him. The goal is to get this wrapped up and on the County Commission's Thursday, December 20, 2018 agenda for execution of both documents, so that we can get this moving forward before Christmas and maintain that May 1, 2019 substantial completion date.

Commissioner Cook asked for the liquidated damages, who is that paid to? Is it GO Topeka, JEDO, who is receiving these monies?

Mr. Crowl responded that Shawnee County is listed as the owner, but that would go back into the project budget and then would be set for JEDO to allocate.

Commissioner Cook asked if we are unable to reach agreement with the bond company then would a lawsuit be filed against the bond company.

Mr. Crowl replied it could, ultimately if we cannot get this settled and we continue to incur damages, that would be an option.

Commissioner Cook asked if the bond company appreciates the amount of damage that this has done to East Topeka and the entire Shawnee County community.

Mr. Crowl responded that he has been communicating that to them, and so has Dean Ferrell and the other representatives when we have met with the bond company. He has provided all of the JEDO Board just some of the emails that have been sent back and forth throughout the last three months, so they can see the nature of the conversations.

Commissioner Cook asked if we have been keeping the residents of East Topeka up to date on what has been transpiring so the local community is aware.

Barbara Stapleton, VP of Workforce and Education for GO Topeka stated yes there is. Washburn Tech East is continuing to do their orientation dates, they are planning to begin classes in January on the East side. She believes they will have an announcement forthcoming within the next week or two to indicate that some classes will be able to start on the East side on behalf of Washburn Tech East. But again there is costs incurred for them to have to do that beyond what we are doing with the project.

Mr. Crowl stated he has been operating under the assumption that JEDO does not want to waive liquidated damages to get a settlement, they want those damages recovered so that is why we don't have a settlement yet, because they have yet to offer the full amount that he believes is due. If they come up with a reasonably good, supported argument for why we should get a lesser amount, then we will discuss that. But until that occurs, we are continuing to demand the full amount due under the contract.

Councilman Lesser stated one of the things mentioned in some emails was that Champion had made some assertions through their bankruptcy. He wanted a clarification on that.

Mr. Crowl stated he doesn't believe that came from him. Champion has filed bankruptcy. He is not exactly sure what assertions have been made.

Deputy Mayor Jensen asked at this point, baring all things, is there a reason we can't make the May 1, 2019 deadline.

Mr. Crowl replied so far, if we can get these agreements signed, the contractor is ready to assume control of the project next week and get started.

Deputy Mayor Jensen asked if he had any idea when the schedule will firm up to the point we can be more than reasonably certain.

Mr. Crowl stated he is very confident, because he is meeting with the principals of Kelley Construction and their attorney on Friday. We have the wording of exactly how we are going to cover the project for any defective work done by Champion, and he's not saying there was, but if there is anything out there that is later discovered, we want to make sure we are covered.

Deputy Mayor Jensen asked if these additional discussions with the bond company had any bearing on Kelley Construction starting the project.

Mr. Crowl responded yes it does because he does not think we can accept a settlement with the bond company, he thinks that two things are married together. It is tied together. We want to make sure that one party or the other is definitely going to agree to assume responsibility for the work.

Deputy Mayor Jensen asked whether we have to stop the whole project to sue the bond company for liquidated damages. Can Kelley Construction get started?

Mr. Crowl replied we are getting into the weeds a little bit, but there is a risk in taking that approach, a legal risk in taking that approach in regards to liquidated damages.

Deputy Mayor Jensen stated so there is still a possibility this could be delayed.

Mr. Crowl responded yes but we are going to do everything we can do avoid delay. The delay also costs the bond company money too, so they have an incentive to get this done because each day is another \$500.00, but we are going to do everything we can. Let's just hope we can get this wrapped up before Christmas and we can get the project back underway and completed before the summer session.

Commissioner Cook asked if Mr. Crowl needed any action from the JEDO Board tonight.

Mr. Crowl stated this was just information for the JEDO Board, the action will actually be taken by the Shawnee County Commission, as they are the body who held the original contract with Champion and who exercised the right on the bond. Now if it looks like we are going to deadlock and they aren't going to agree to pay that amount then maybe JEDO will need to come back and decide what is the hard choice to make at that point – either waiving some of the liquidated damages or allowing the project to delay in order to get the full amount – and that is a hard choice to make. He wouldn't want to signal to the bond company tonight which way JEDO may want to go.

ITEM NO. 9: DISCUSSION WITH POSSIBLE ACTION: Community Broadband Task Force – Presentation/Report from the Project Team: Findings from the Request for Information and Next Steps

Deputy Mayor Jensen presented the report to the Board. This has been an exciting project for him to work on. This team pulled him in with open arms and allowed him to be part of it and he is very pleased to come back and share some of the things we have found as part of the Request for Information (“RFI”) we sent out. The responses we got were in some cases what we were expecting and in other cases not at all, and pleasantly so. The goals remain the same but have been refined over time. So even though we are going to ask to change direction a little bit, our goals haven't changed.

PROJECT GOALS:

1. Bring broadband service to unserved parts of Topeka/Shawnee County.
2. Digital Inclusion: Share the benefits of broadband improvements as widely as possible.
3. Spur the introduction to the Topeka/Shawnee County region of “Gigabit” services.

When he got involved we decided that we needed to reach out to the incumbent carriers, to some folks who aren't yet participating in this area and try to get a feel for what they could do, what their plans are, what their ideas for the future technology of the community and region were.

COMPANIES RESPONDING TO RFI:

- Major Incumbents
 - AT&T
 - Cox
- Wireless Internet Service Providers in the County
 - Mercury Wireless
 - Kwikom
- Middle-mile Fiber provider in the County
 - KSFiberNet
- Fiber-to-the-Premises provider not yet in the County
 - Allo Communications

INPUT SOUGHT:

- Current and future services and prices, expansion and upgrade plans
- Conditions under which companies can make a purely private business case for investment
- Key assets that companies need or could use to expand or improve service
- Public policies and processes that help or hinder deployment
- Usefulness of various types of non-financial, financial, or in-kind assistance
- Ability to support discounts for low-income users
- Experience in other jurisdictions

KEY FINDINGS: GIGABIT SERVICES

- A range of existing and new service providers showed interest in investing their own money in networks to offer gigabit and near-gigabit services.
- The interest was primarily in Topeka and nearby areas.
- Some assistance was requested, but the requests were generally non-financial.

KEY FINDINGS: RURAL UNSERVED AREAS

- Existing wireless broadband providers are interested in upgrading and expanding services in rural areas.
- Some fiber-based providers are willing to experiment with extending their network wirelessly into rural areas.
- Some wireless providers are experimenting with deploying fiber in areas of greater density.
- Some expansion and improvement in service is likely even without public sector help.
- Without public sector financial help, there likely is not a business case to cover all unserved areas at targeted speeds.

Commissioner Buhler stated she would like to add we have about 45,000 who live in the unincorporated areas of the County. It is not necessarily rural, it is suburban. We do have a large population who live in the unincorporated areas.

Deputy Mayor Jensen stated that is the key for looking at where are subsidies appropriate. Because there is a certain population density where enough subscriber take to afford the infrastructure cost to build that and then afford the monthly payments. That is the real key point, do you really need government funds to build in an area where there is enough people you could afford to build it on your own. So those are the things we are still trying to sort out in that aspect.

MORE ON THE RURAL BUSINESS CASE GAP

- In a previous phase of the project, Tilson analyzed the cost and business case for a type of rural coverage solution: a fiber-fed wireless broadband network.
- The prior Tilson business case analysis suggests that the business case for a wireless network offering near-universal rural coverage in Shawnee County could become self-sustaining if it received one-time capital support in the seven-figure range.
- Different service providers responding to the outreach had different technical approaches to expanding rural coverage, some similar to the one in the Tilson study, some less so.
- It is possible that some of these approaches would require less up-front support, but would require support for periodic technology refreshes.

Gina Milsap, CEO, Topeka and Shawnee County Public Library presented to the Board regarding Digital Inclusion.

KEY FINDINGS: DIGITAL INCLUSION

- Every service provider who has residential customers has or would be willing to offer a low-income affordability program.
- No existing program met targeted speed goals.
- Companies with national programs don't tailor the parameters locally.
- Some providers with existing programs are discouraged about participation levels.
- No provider indicated that they could provide an enhanced program without additional recurring financial support.

She stated we are all familiar with the concept of literacy. You have to be able to read and write to survive in our society but now you must also be digitally literate to survive as well. It is no longer enough to have just the basic ability to comprehend text and read. We have all heard the phrase "Digital Divide" and really what we are talking about is inequity in the access, use of, and the impact of technologies. So if you are on the wrong side of that divide you are living in the digital desert. And that is really true for a lot of people who have limited incomes and who live in rural and unconnected areas. Digital inclusion itself refers to the activities necessary to ensure that all individuals and communities, including the most disadvantaged, have access to the use of information and communication technology and there are five key components, these things have to happen for digital inclusion to occur.

1. Affordable, robust broadband service.
2. Internet enabled devices that meet the needs of users, and that is different for different people. For some it is a phone, for some it is a tablet, others a computer.
3. Access to digital literacy training. No one is born knowing how to do this.
4. Quality technical support.
5. Applications and online content that is relevant to and enables and encourages self-sufficiency.

So as you look at the slide of key findings, you will see that participation levels tend to be low for low-cost internet programs. Why? Because in many cases the people they target are not digitally literate. In other words, they don't have the skills or knowledge to use the technology, they don't necessarily understand what the technology can do for them, in terms of applying for a job, getting a better job,

helping their children succeed in school. So for those individuals, paying for an internet connection may not be the priority. That digitally literate person has a lot of skills. The technical component, the cognitive component, to find, understand, evaluate, and create information. The ability to use technologies, use a cell phone, a laptop. Understands the relationship between technology and personal privacy.

So the question she always asks when any new project is started is who is going to own this, who is going to take responsibility for it? What she is going to tell them tonight is the library is not the explicit owner of this, we are willing to take a leadership role because we have for 20 years. She wants to give them a little background information about what is already going on with digital inclusion. And regardless of what happens, the library will continue to pursue this because it is part of our mission. Over the past 20 years, the library has offered over 63,000 hours of computer instruction and technology instruction, from everything to taming the mouse, that first introduction to a computer, to introduction to the internet, helping people retrain for new jobs, brush up on their skills with things like Microsoft Office and GoogleDocs, and resume building. We also have specialized classes on how to use devices like smart phones and tablets, and how to use the many online resources the library has.

Conservatively we are spending \$500,000 a year on digital content. About \$200,000 of that is specifically on education and training and things like software development. It is products like Treehouse Coding and Design, which has a structure for beginning coders as well as veteran software developers. Lynda.com which includes online video courses in business and creative skills. Learning Express Library which has test tutorials and ebooks for career preparation, for getting your GED, for college admissions, and student resources for all ages. And the Mango Learning Language, which helps people become proficient in over 70 languages. And that just a handful of what is available with a library card. We have computer labs established in collaboration with Shawnee County Parks + Recreation in six community centers and those have been in place for the last four years. Training and programs occur there as well as children just being able to go and do homework, people can apply for jobs there. We also have a partnership with the Topeka Housing Authority and we work with them to create a technology center at the Deercreek Apartment Complex where there are 92 family units, each with incomes under \$10,000, but they are working. And we are talking about initiating a new pilot project in 2019 specifically at Deercreek. We also have a library card campaign, where beginning in year 2019 the goal is for every school-aged child in Topeka and Shawnee County to have a library card because then they can take advantage of all those resources that the schools cannot afford to invest in. Every day on the phone, via email, or in person we answer all kinds of questions. Year to date we have answered 40,000 questions on everything from job applications, taxes, starting a business, research, how to use technology. Almost 20,000 just on becoming more digitally literate.

She is not saying the library is the only game in town, we have over 100 partners that we work with on a regular basis, but we are the biggest and the most accessible source for anyone in the community, no fees, no requirements, you ask for help we give it. And we can scale services like this in a way that no one else can because of the size of the library and the fact that it is our primary mission. But the job is not done. Everyday librarians are helping people set up their very first e-mail account, and she wants them to think about that; we have been using e-mail for almost 30 years and there are still people in the community who have no e-mail account, and why are they getting an e-mail account? Because they are applying for a job online because 80% of jobs, regardless of the level or the pay, you have to apply for online. If you don't have e-mail a prospective employer can't communicate with you. So we are working with our partners to improve and expand our digital inclusion efforts and we are doing a reboot of that, especially

based on what we have learned because in this particular case, this isn't about the broadband being the endgame and it is not about the money. It is about making sure our fellow residents have the information and the knowledge and the education they need to understand that this is a valuable tool for them so that they don't get left behind.

Deputy Mayor Jensen stated that is one of the surprising things he took away from it, that in this particular case, it is not necessarily access to connectivity. Cox and AT&T both provide a low-cost option with certain qualifications you have to meet. But in the vast majority of cases those connection options are available and folks just aren't using them. And the training aspect is why, the knowledge to use it, the understanding why they even need that. So if we were to ask for any sort of financial assistance from the JEDO Board in this case it would be more in training and how do we get people the skills they need to then go and choose to get online.

So we have issued the Request for Information and normally we would then go into issuing a Request for Proposals now. But as we started talking about what is necessary to get the job done, we think there is an opportunity to leverage the companies that are interested in incentives other than financial. So the suggestion of the contractor was to step back and create this Broadband Business Assistance Initiative. So the idea is that this would be a single point of contact to help all of the players in Shawnee County and the City of Topeka that want to improve access, AT&T, Cox, anybody that wants to expand and grow, this would be the person or the group of people that they come and talk to. The goal behind that is you can make one phone call to one place and leverage those connections to sort out what you need to do to improve coverage. Basically what we are asking to do is swing the funding that we would've used to do the RFP into this Broadband Business Assistance Initiative. Not quite sure who is going to own that or where, ultimately it needs to be at least a person who is in charge of it somewhere, whether that is with the City or the County, it could even be a contractor at GO Topeka. But at some point we need to pick that person and sort out where they are going to sit within the organization and then how they get tied into both the City and County and they probably need to have ties to Westar too because that is where a lot of the right-of-ways are held. The idea behind that is a lot of these companies that want to expand in the community are not looking for financial incentives, but they are looking for help to navigate the governmental administrative red tape.

BROADBAND BUSINESS ASSISTANCE ROLE:

1. Provide mapping data that helps providers build their own business case.
2. Ensure low barriers to use of public ROW and other useful assets for broadband.
3. Ensure permitting and inspection requirements are straightforward, easy to navigate, and clearly communicated.
4. Provide an advocate/facilitator working to keep things on track.
5. Coordinate opportunities for joint work when doing trenching or significant road work.

EXPECTED BENEFITS OF NEW PROCESS:

1. Responds directly to providers who state they are ready to invest in gigabit services.
2. Broadband Business Assistance Initiative will be less expensive than providing financial incentives that might be offered through an RFP.
3. Broadband Business Assistance Initiative not expected to result in resolution of rural coverage issue, but may narrow the gap.
4. Broadband Business Assistance Initiative may enable more, and more competitive, responses to an RFP for rural coverage.

Commissioner Archer stated it is kind of hazy what they are asking for. How much money is involved in this?

Deputy Mayor Jensen responded we don't have a cost yet on that which is why we aren't actually asking. We are going to come back to JEDO with a plan for how that would work. So there is an ask in the future it is just not here yet. Right out of the gate it would essentially be reallocating funds that we had initially planned for use of the RFP, so we are not asking for additional money right now. But part of it is we need to sort out where this person would be, at the County or City level, would we agree to take part of the RFP money and fund a contractor who would then sit at GO Topeka. His question for them would be to go back to their organizations and look to see if this is a role, or if this is a set of skills for someone they already have within your existing organization.

Ms. Milsap stated she thinks the question becomes at a certain point, we are a loose collaboration of people who have come together because we have an interest in this and we are stakeholders and we believe it is important. But at a certain point, local government on its side, if you are going to be responsive in terms of this business assistant and smoothing the way and creating a system that will work for any provide who is interested in coming in, then somebody has to own that within your own infrastructure.

Commissioner Archer responded he agrees, he is just trying to figure out how much money we are talking about, what the accountability is.

Deputy Mayor Jensen stated part of that is we need to sort out if we already have people within our organizations that have the skills to execute these kinds of tasks. If we do, then it is just a matter of identifying those people and then the government approving them to spend time on this. Right now we don't know if either organization has someone with the ability to handle this at this high level, and then we need to sort out an agreement so that if it is somebody at the County, they have the required access into the City, and vice versa. And then of course this is hugely in the corner of economic development as well so they have to have the ability to tie to GO Topeka and the Chamber.

Commissioner Cook asked if it would then be his request to not issue an RFP but rather to allow the Broadband Workgroup to further develop this Broadband Business Assistant.

Deputy Mayor Jensen responded it would, modify it slightly though to say delay issuing an RFP. Because at some point he does think we will have to issue an RFP especially for some of the more rural parts of the County. Our intent is to see how much we can get using this mechanism without having to spend additional money as incentives to encourage people to come into the community.

Ms. Milsap stated yes we want to defer the RFP for now. Until there actually is the infrastructure in place that would have somebody overseeing some of these business incentives, we don't know the effect. The effect of that may be very powerful and it may accomplish a lot and may incent one of these companies to come in and make a bigger capital investment.

Deputy Mayor Jensen stated a lot of the companies we have talked to have indicated they want to expand now, so anything we can do to smooth the way and make it easier, a lot of the mechanism for doing that is not giving them money, it is just getting out of their way. And this Broadband Business Assistant could help facilitate that across our organizations.

Ms. Milsap added to also be a liaison to the broadband agency within the Kansas Department of Commerce, which has gotten a substantial reboot now. And with the next administration there is every indicator that more resources will be going to that as well.

Councilwoman Hiller asked in terms of money, she is looking at the 2019 proposed budget, are we talking about the \$39,178 that is in the budget.

Ms. Milsap responded she would defer to GO Topeka staff on that because the Workgroup did not make any additional request, we are living within the original allocation that we were given which was \$250,000.

Mr. Pivarnik stated the \$39,178 is what is still left from the original allocation.

Councilwoman Hiller stated her confusion came from at one point Ms. Milsap was talking about facilitation to help users connect.

Ms. Milsap responded there is that Digital Inclusion component, which is only part of it.

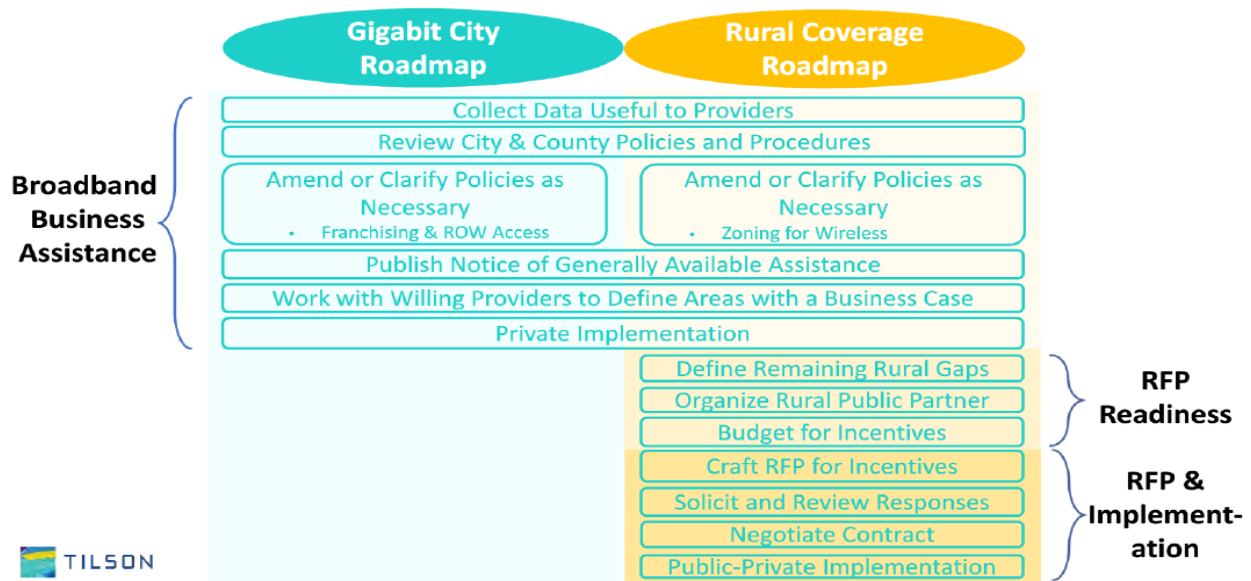
Councilwoman Hiller asked so one part is Digital Inclusion and then a second part is a business liaison.

Ms. Milsap responded that the second part is developing a Business Assistance program that smoothes their way for providers who are interested in coming in or expanding.

Councilwoman Hiller stated so it is not really to assist businesses, just to work with the providers to get them connected and the opportunities that might be available.

Ms. Milsap responded this could also be somebody who is coordinating things like Dig Once policies that a lot of communities have where there are interlocal agreements say between City, and County, and school districts, if you are going in with a backhoe and opening up the ground then everyone agrees that we will go ahead and lay conduit and fiber at the same time because the expense is not in the fiber, it is in opening up the ground.

Deputy Mayor Jensen stated we basically have two tracks we are on here. One track is the connectivity and the other track is the digital inclusion piece. The connectivity we are looking for is, within the City a gigabit and within the County at least 25 MB. So within populations where it is dense enough to justify the costs of infrastructure the goal is to push for Gigabit. In the areas where the population is not dense enough to justify Gigabit service, we are pushing for at least 25 MB or at least some other type of technology. So these two tracks overlap for quite a ways:



Ms. Milsap stated to also get finally true broadband, because what exists throughout the rural areas and even some of the suburban areas it is inadequate. You can't stream and you can't use some of the resources that we have, it is just too slow and it is not robust enough.

Deputy Mayor Jensen stated imagine not being able to use Netflix at all.

Commissioner Archer stated some things you give up when you move to rural Shawnee County. You have gravel roads, you don't get the fire protection. Do we have any idea of cost estimates and how we are going to pay for this? He is talking about their proposal to have a goal of a Gigabit for the City and 25 MB for rural areas. Because he has seen over \$100 million at one point.

Ms. Milsap responded she wants to remind them that the model they saw would be the model if we were going to be designing a network from scratch to serve the entire County. So that is off the table. With the model we are proposing now, the initial investment would be in finding a staff member, either hiring someone, or identifying someone in the organizations that can actually be given responsibility for working with telecommunication providers to smooth the way for more development. That is the initial proposal.

Commissioner Archer asked is there no idea as far as the cost is concerned.

Deputy Mayor Jensen stated not until we identify whether or not we have those skills within our organizations now. Because if we do in theory there would be very little cost, but if we don't then we are going to have to find an FTE somewhere. And that person would own this whole process. Once we have that lined out and have that person in place and working with all these organizations, the other big question is going to be what is the State going to do. There could be some resources there and that is why we are so hesitant to give you a number on what it is going to cost to actually connect everyone and train everyone, because we haven't unlocked what the other opportunities are yet and we certainly want to use those as much as we can so we are being good stewards.

Ms. Milsap stated our assumption is that the private sector is going to bear most of those capital investment costs.

Deputy Mayor Jensen stated the other partnership we haven't completely sorted out yet is with the public schools. They have a key interest in both of the things we are trying to do here and have expressed an incredible willingness to partner.

Commissioner Cook asked to keep us on track, does the Workgroup have a motion they would propose.

Deputy Mayor Jensen responded if the JEDO body requires one for us to make this change in direction then yes he would propose such.

Commissioner Archer stated he thinks he is saying no action though at this point.

Deputy Mayor Jensen stated we are not asking for more money at this point, we are still within our allocation we are just sort of moving it around a bit. We are moving the process around but we are still going to require Tilson to be part of helping us set up the Broadband Business Assistance Initiative. They have offered to own it and run it for us, but we feel as a team this is a long term game for our community and we need to take ownership for this and we need to find somebody to be at the helm. The nonaction action is this is what we would like to do unless the JEDO Board is opposed to it. And we are still working to sort out whether or not we have the resources within our organizations or if we need to come

back and ask for those to be funded. And if we do we would have to identify what an appropriate salary is, where that person would be, who they would report to, and that sort of thing.

Commissioner Cook stated he doesn't here there is any action that is needed to be taken tonight.

Ms. Milsap stated she would take that as a directive that the Workgroup and continue our work.

Commissioner Buhler stated she applauds the project team. This is a complicated issue and this conversation has been going on awhile in this community. And thank goodness because the need is not going to go away, it is not going to lessen, it is going to increase. And it is for workforce, the schools, that need is just going to increase. So for our community to be ready, that is the most important thing.

Ms. Milsap stated she assumes they would expect a report from the Workgroup at the JEDO February, 2019 meeting.

Councilwoman Hiller asked on the customer service side, the user side, they gave quite a thorough review of the services that the library offers, which is a City/County library. She has found that when you are trying to introduce something and really engage people, creating a new resource isn't necessarily the best, but instead focusing folks on a place that they already know, that is accessible with broad hours and times. Is there a need for us to be also brainstorming about a central point of contact?

Deputy Mayor Jensen stated we haven't quite sorted that out yet. A lot of it is we are trying to sort out what partnerships we already have. Our goal is to leverage our existing assets and resources, determine where we can make new connections to build new partnerships, and then decide if we need to go out and build something completely new.

Ms. Milsap stated also with Momentum 2022, the collective impact model is one that we want to emulate as well. So there is workforce development, there are a lot of entities working on digital inclusion for various ages and demographics. We can do better if we are collectively working more closely together.

The following individuals appeared to speak for public comment on Item No. 9:

1. Karl Watson, Owner, Ad Astra Fiber stated he is excited about this process and the workgroup is doing a nice job. He loves Commissioner Archer's approach. He is a business man, he would like to know how much all of this costs. Two years ago he went out and built a Gigabit network and he can tell them how much it costs if they would like to see his invoices that he paid he can share those. It cost him about \$500 per home to install fiber connections that are high speed that he is now selling for \$35 per month, no contracts, no equipment. He has customers that were paying \$180 per month for a landline, cable TV, and some type of internet service. This group paid for a study that cost several hundred thousand dollars and it talked about GDP and it said one of the major drivers is that if you have connectivity you can get a 3% bump in GDP for Shawnee County. Wichita State just published a study, and you can't quite tell what Topeka's GDP is because it is buried behind a black line that says Zero and that was published in TK Magazine. He would propose that this group think about supporting Gigabit connection, connectivity as a direct driver for GDP.

Commissioner Cook made a motion to recess due to technical difficulties. Commissioner Buhler seconded. Following a vote, motion carried unanimously (7-0).

(The Board went into recess at 8:41 p.m. and returned at 8:52 p.m.)

ITEM NO. 10: ACTION ITEM: Approval of 2019 Economic Development Strategic Business Plan and Budget

Molly Howey, Senior VP of Economic Development for GO Topeka and Natalie Zeller, Senior VP of Finance for GO Topeka presented the 2019 Budget to the Board (starting at page 77 in the agenda packet)

COMPONENT BUDGET SUMMARY

<u>GO Topeka Proposed Program Budgets</u>	<u>Proposed 2019</u>	<u>Approved 2018</u>
New Business Attraction	\$ 299,827	\$ 350,250
Existing Business Retention & Expansion	\$ 77,530	\$ 39,600
Workforce & Education Cradle Through Career	\$ 287,851	\$ 222,460
EMBD	\$ 456,485	\$ 462,265
Entrepreneurial Development	\$ 199,035	\$ 85,800
Research	\$ 50,620	\$ 60,729
Government Relations	<u>\$ 43,750</u>	<u>\$ 43,750</u>
Total Program Budget	\$1,415,098	\$1,244,854
Marketing/Communications/Events	\$ 174,760	
Finance, Administration, Other Operating	\$ 399,558	
Personnel (excl. EMBD) salaries	\$ 366,981	
TOTAL General & Administrative	\$941,299	
Incentives, Site Expenditures & Special Projects	<u>\$1,587,500</u>	
TOTAL Proposed Budget	\$3,943,897	

Commissioner Archer asked regarding the \$250,000 set aside for “New Incentives”, could she outline that a little more.

Ms. Zeller responded those are incentives we keep as a placeholder in case we have incentives for new businesses that come through within that year. There is nothing specific at this point.

The following individuals appeared to speak for public comment on Item No. 10:

1. Bryce Liedtke and Nicole Bloomquist, Greater Topeka Partnership Youth Commission stated they are both students at Shawnee Heights High School. They are coming to JEDO today to increase awareness and gain support for an up and coming Youth Commission. They would like to recognize Commissioner Cook, Commissioner Buhler, Councilman Padilla, Mayor De La Isla, Matt Pivarnik and Kayla Bitler who have all been a part of this process so far. They are representing the Greater Topeka Partnership Youth Commission, our goal is to create commission housed under the Greater Topeka Partnership to engage youth to transform our community for the greater good of all. We are going to advocate for what is important to us and to do this we are going to branch out into three specific categories – Local Government, Outreach, and Community Involvement.

First we are going to work with the Local Government, such as the Mayor's Council, and serving on government boards. Secondly, we are going to outreach to create events for youth and work with Washburn University to have training sessions for the youth, and third we will be involved in the community by working with nonprofits, volunteering and working with businesses. Currently we are working with the Greater Topeka Partnership and Momentum 2022 because a lot of the things we are aiming to do as goals are outlined in Momentum 2022. We see this community-wide partnership as an essential part of the future growth of the development of our community. This Commission has the capacity to have a significant part in the community's economic development. We also have benefitting factors to the workforce development such as mentorship between youth and adults. This would be a two-way mentorship that would have both meaningful relationships with adults and youth. Also getting connected in the fields for our future occupations is something that is important for students and something that would be allowed through this process. And also we will help with population retention, we are going to give youth a voice and having them feel they are being heard and getting them more connected in their community, they will be more likely to stay.

Some of the benefits this Commission would include would be increased insight for community initiatives so students and youth would be able to provide opinions on things that are happening in Topeka and adults would also gain a better perspective. Another benefit would be improving policies and programs for youth. It would also make our City and County a more youth friendly community. We are also planning to solidify our partnerships that we already have with Washburn University, the Greater Topeka Partnership, the County, and the City, and we are hoping to build more partnerships so that a lot of people in Topeka can feel like they have a foot in the door and everyone feels included. It would also allow for employer engagements, so companies would be able to engage youth in the community and gain insight. We look forward to keep them updated in our progress.

Commissioner Cook thanked the both of them for coming tonight to make sure JEDO was aware of everything that is going on with the formation of the Youth Commission and its affiliation with the Greater Topeka Partnership. He is very excited for what this adds to our community, as we do work with workforce development, mentorship, and also with keeping young people in our community.

Mayor De La Isla stated that they rocked it speaking in front of both governing bodies and they made her super proud. The bigger message is Topeka and Shawnee County, did you see that, this is your youth, our future is very bright.

Deputy Mayor Jensen stated he is very excited about this. Please do not be afraid to reach out to us and tell us what you want. We can't make decisions on your behalf in detail unless we know what they want and how they want it done. So please tell us these things, it is incredibly important as we try to sort out building the community to know their thoughts and feelings. Good luck and he can't wait to see what they come up with.

Councilman Padilla stated he is very glad to see them here tonight. What he likes is that he does not believe any of us had anything to do with their presentation and he is impressed with what they put together and brought before this body and he hopes to see if get bigger and bigger and he hopes to see more inclusion. He knows they are working on that. He is very excited for the start and looking forward to the future.

Councilwoman Hiller stated she is also very impressed with their presentation and where they talk about their membership being inclusive and broad based. Does their organization already exist and could they talk a little bit about the involvement already?

Mr. Bryce Liedtke replied they are not currently existing yet, we are still in the process. We think we want to have this start running when we have 20 members, we are planning to start the application process hopefully by the end of this year that way it will allow students to enroll over the break.

Mayor De La Isla stated to add a little to that, during the City Council's strategic planning session earlier this year, the Council said that we would really want to have a partnership with young people in our community and have a representative from each district partner with each Council member so that each Council member would have a youth member of the community. This group is going to be instrumental in assisting us with making that happen.

Commissioner Buhler stated she wanted to give a shout out to Melissa Masoner. She would be so proud of them. Thank you and keep up the great work.

2. Jeff Russell, VP Operations, Reser's Fine Foods stated they have had a great summer with their new plant and they really appreciate the support. He wants them to know effective the first week in October, we did break ground in the remodel of our old salad plant, and the family authorized about \$40 million to rehab that building. We hope to have it up and operational by August, 2019 to cover our fall season. Thank you so much to the support JEDO has provided in the past. He is here today to talk about the NETO Ride to Work program which has been very successful in the south part of the County. Reser's is up to 1,375 employees right now, we have a 24 hour a day operation, frequently 7 days a week seasonally. We have people that are reporting to work well after public transportation is available. We have shifts that start and end at 10pm, 11pm, midnight, and we just don't match up very well with some of the public transportation availability to us. Currently we have about 150 open positions on those shifts and our primary problem with those shifts is many of our employees do not own vehicles and they rely on public transportation. We have seen how successful this has been in south Topeka and we have been very patient as we have built our new building and it looks like it is really working well. This will help us get our 2nd shift workers home and get our 3rd shift workers into work. We are very concerned about our employees that walk in east Topeka, we do have a number of employees who walk to and from work and walking in east Topeka at that time of night is not a great deal. We have a number of employees that work on the north side of the river, and it is very difficult for those folks to get to work. We believe that we can attract a much larger pool of people if we are able to access some ride help overnight, 2nd and 3rd shifts have always in manufacturing been difficult to fill and we are no exception. We really need a resolution like this for us to be able to access employees and he thinks it would really be a boom to the County to drive additional employment and help us include more people into our work group.
3. Lenora Kinzie, Topeka JUMP stated that Topeka JUMP has been actively engaged in new developments in transportation over the past two years. We are doing this work because thousands of people do not have a way to get to work. If you do not have a car in Topeka, life is difficult, getting to work is difficult. Hurdles are higher today as most of us do not live next door to our places of work or within walking distance. There are many major employers outside the city limits providing living wage jobs and many of these jobs do not require a college degree. Topeka and Shawnee County benefit from these major employers like Mars, Frito Lay, Target, Goodyear, Resers, and so many other companies in our community. They provide opportunities for good jobs. Holistic economic development means better paying jobs along with the ability to access those jobs. People in Topeka need alternatives to cars, alternatives that can reach places of

employment in our City and our County and not just Monday through Friday, 8am to 5pm. Transportation barriers lock people into poverty. Transportation barriers hinder our economic development as well as industry and population growth. In order for Topeka and Shawnee County to grow people need reliable transportation to work. We have heard the proposed Phase 2 of the SOTO program and the launching of the new pilot program NETO. We members of Topeka JUMP stand firmly behind both of these programs. They fill a transportation gap for the people in Topeka and Shawnee County and they create a labor solution for employers. Holistic economic development means access to quality jobs and that access is exactly what SOTO and NETO will provide. Topeka JUMP urges you to vote yes on both of these proposals.

Commissioner Buhler made a motion to approve the 2019 Economic Development Strategic Business Plan and Budget. Deputy Mayor Jensen seconded. Following a roll call vote, motion carried unanimously (7-0).

ITEM NO. 11: ACTION ITEM: Approve 2019 Cash Carry-Forward Agreement

Molly Howey, Senior VP of Economic Development for GO Topeka presented to the Board.

CASH CARRY-FORWARD

2019 Carry-Forward Amount	\$19,200,000
Restricted Uses by Contract	
EMBD Program Carryover	-\$1,155,000
Kanza Fire Park & Firehouse	-\$400,000
Projected Expenditure Items for 2019	
2018 and Prior Unpaid but Committed Incentives	-\$1,464,000
Broadband Expenditures	-\$39,000
Quality of Place	-\$2,000,000
East Topeka Learning Center Facility (Subsidy & Interest)	-\$578,000
East Topeka Learning Center Project (Remaining Const. for Capitalized Assets)	-\$2,500,000
49th Street Improvement Project	-\$1,469,000
Projected expenditure items for 2020 and beyond	
Committed Incentives	-\$1,441,000
East Topeka Learning Center Facility (Subsidy & Interest)	-\$1,146,000
Reserves for Special Purpose	
Economic Development Incentive Fund	-\$5,000,000
REMAINING for Future Investment	\$2,008,000

Commissioner Archer asked if the \$2 million earmarked for Quality of Place, is that for what we approved tonight?

Ms. Howey responded yes that is the 2018 Quality of Place projects that they approved earlier this evening.

Commissioner Archer stated it looks then like we really have \$7 million more then what is contractually committed at this point.

Ms. Howey responded all the items on this carry forward breakdown are either approved to be spent specifically from the carry forward dollars and the one item that is \$5 million for an Economic Development Incentive Fund, is a placeholder. It hasn't been acted on, it is just a best practices that we are suggesting. But the rest of the items listed have either been called out to be spent from carry forward, not from operation budgets.

Commissioner Cook stated but for the purpose of discussion, the \$5 million (Economic Development Incentive Fund) and the \$2 million (Remaining for Future Investment), that is not committed to anything.

Ms. Howey responded yes that is correct, that is \$7 million total that is not committed.

Commissioner Archer stated he doesn't know if it bothers anyone else but \$19 million of carryover gives him a lot of heartburn. It is just a lot of money to be carrying over, he is wondering if some of that money could be rebated to the City and County. You are talking about money that is just sitting there and not doing anything. We have real needs in the City and County to improve our community today with some funds and the thing that worries him is that ways to spend taxpayer money expand as the amount of money available is there.

Mr. Pivarnik stated he will tell them about a reoccurring dream he has. A lot of people here went on the visit to Chattanooga recently, and he has nightmares that one of these days Volkswagen is going to call us and we are going to say guess what, we spent all of our economic development money on other things, sorry Volkswagen we can't help you. He looks at both governing body and he knows that both within the community also find it to be a best practice to have reserves so we have money to work on things like that. He also has dreams sometimes what if we get hit by a tornado, what if a natural disaster comes through here. Then the definition of economic development changes, and he would sure hate to look to our taxpayers at that time and say guess what, we spent all our money. So he would say that having dollars, emptying our cupboards completely and not having economic development dollars in reserves is something that he wouldn't recommend. He wouldn't recommend it for the City, the County, or our economic development organization.

Commissioner Archer replied but he can understand the concern.

Mr. Pivarnik responded yes he can understand.

Councilman Coen stated he has been a voting JEDO member before and he always opposes the cash carry forward. He did a little research this week in anticipation for this meeting. In 2013, it was \$7 million in carry forward funds; in 2014 it was \$9 million; and it seems to have grown by about \$2 million every year. If we always needs this bit of extra cash on hand, we are still not using it. The coulda, woulda, shouldas, if something like Volkswagen or something like that came, and the money wasn't there, they would come to JEDO and we would make something happen. His first vote was for \$11.6 million in carry forward funds, he voted against that; \$15 million the next year; \$17.5 million the next year; he just doesn't think this is what the voters were wanting when they were talking about doing economic development. He thinks it needs to be active in the community and he says that every year.

Commissioner Cook stated he thinks one of the things people are getting stuck on is the top number, that \$19 million down to the last two numbers of \$5 million and \$2 million. All the rest of the money, except the last two, are all committed dollars which we have already made commitments to, we are carrying them forward because the projects aren't complete. For example the Quality of Place projects which we just voted on this evening, the East Topeka Learning Center, the 49th Street Improvement Project, etc. So the amount that we are really carrying forward and if you were to really break this down to the brass tax, we are carrying forward \$7 million, that is the uncommitted part. Of that \$7 million, \$5 million is being

suggested for a reserve, so really \$2 million is the uncommitted portion. He thinks it would behoove this body to talk about that \$2 million and if we are not having a commitment for it, where would it be best committed.

Councilman Coen stated he just wants to point out how much this has grown over the years with the promise that we do need to have this because we are going to spend it. Well we are not spending it. He can think of a lot of projects the City can do and maybe the County has some projects.

Mr. Pivarnik stated that he and Ms. Howey are under non-disclosure agreements on a lot of the things we are working on. So he will tell them right now, we have some projects in our pipeline that if we didn't have this money we would have to call and tell some of these projects sorry, take us off the list right now. Again, being under non-disclosure agreements, they can't talk about specifics of that. There are things we are working on right now, if we get good news, we would need some of these dollars, and actually quite a bit of them to create jobs, to create capital investment. Again going back to, he thinks his financial advisor encourages him to save for the future. The net present value of these dollars in 10 years is going to be less than they are now. It would scare him to not have these dollars available for future job creation.

Deputy Mayor Jensen stated he would like to ask why we consider encumbered funds carry over. To him, that is not carry forward money because that is not money we have to spend, it is already spent, it hasn't been earned yet, but we don't have a vast majority available to play with. We only have \$7 million of the \$19 million that we can even use now. And in government \$7 million doesn't buy a lot, that is 7 miles of road, if that. He couldn't support pulling it out and deploying it in any place else other than with economic development and where it is at now. At some point we are going to ask for some resources for digital inclusion, training and education, and some sort of incentive to help with broadband in the rural parts of Shawnee County. We are not prepared to give a number or make an ask yet, because we are not at that point. But as he mentioned earlier there are two phases of that project that are incredibly important, and as far as we know at this point we will have to come back and ask. So keep that in mind that might have to come out of this. He wholeheartedly agrees there are a lot of things in economic development that we are not privy to, we are not allowed to know just because that is the nature of the beast. And if our team is telling us they need that money, he has a real hard problem not believing them, given their track record, and we don't want to blow some of these opportunities because it may be the only chance we ever get to land them. That was the deal with Mars and look how successful we are with that.

Ms. Howey stated she would also add not included in this is the \$1.4 million they just approved for Project Purple earlier this evening. So that is not included in this breakdown.

Councilman Lesser stated as this program continues to be successful, doesn't it also make sense to a certain extent, this number would grow, as these funds are encumbered but not spent, as we add projects to it. To him that just makes sense. His question is on the \$5 million suggested reserve, where is that sitting at from an investment standpoint.

Ms. Zeller responded we do have some CD investments, and the rest do sit in interest bearing savings accounts.

Councilman Lesser stated that would be the only thing he would look at, thinking about where we are keeping these funds for investment purposes.

Deputy Mayor Jensen stated he doesn't know if JEDO has placed limits or maybe they have internal limits on the aggressiveness at which that reserve money can be invested. Are those things that if we changed the requirements, they could be more aggressive with some of those investments for the reserves? He realizes interest rates are very low so if that is the best we can do, that is the best we can do, but he doesn't want JEDO to be the barrier for getting the maximum return on cash we have in accounts.

Ms. Zeller responded she doesn't know if they have any guidelines in place from the JEDO body at this point in time, it may be something to explore so we do have a guideline for how aggressive we do want to be with those.

Deputy Mayor Jensen stated he didn't necessarily know about guidelines but certainly we don't want to be barriers.

Councilwoman Hiller stated she has been through this conversation before about this spend-down issue and she would want to take the time to reverse that and make the point again that. One of the reasons we have this money is that the GO Topeka staff has been very careful not to spend money just for the sake of spending it. And she supports that and she doesn't want this body to ever find itself even saying we want to just go spend the money. The detail on the program overview is really the meat and potatoes, we are supposed to be funding a budget but also priorities every year. There is a lot of material in here. She is one of the people who met with the GO Topeka staff and a number of the programs were really in a transition time and they are unfolding now even into 2019. And there is actually some private money that we don't see in here that is supplementing the JEDO money we have and she thinks maybe that should be highlighted more, she is very proud of that, and she would like them to identify what those private dollars have done and celebrate them. Accumulating some money because we have been judicious about how we spend it she thinks is ok. She also thinks it is ok at a certain point to say, like we did with the quality of place, periodically talking about it as a way to constructively continue to invest.

Deputy Mayor Jensen made a motion to approve the 2019 Cash Carry-Forward Agreement. Councilman Lesser seconded.

The following individuals appeared to speak for public comment on Item No. 11:

1. Keith Warta, CEO Bartlett & West/2018 Chair GO Topeka Board of Directors stated he would ask that they consider three quick points. First, if you look at the expenditures for 2019 that amounts to about \$8 million, I think we are going to look at year on year decrease in the carry forward just because of that point alone. Secondly, he thinks the \$5 million to be set aside, we have to trust in the professionals as far as the amount that we need to keep in reserves, and that is what Ms. Howey and Mr. Pivarnik are recommending. Third, relative to the \$2 million left over, that needs to stay dedicated to something that has to do with economic development. That is the commitment.
2. Carol Marple stated she agrees with having a reserve. We spent so much time talking about quality of place and they approved \$2 million to a few organizations. Are they going to continue with that or was that a onetime thing? She would like to know their intent is to go with quality of place.

Commissioner Cook stated he would note that there is not an item in the budget that we just approved for quality of place for the year 2019. In the past what we have looked at is the carry forward funds and using some of those. If there was to be anything allocated in the future we would have to take that up as a body to do so.

Commissioner Archer stated he is going to support this but he hopes that it goes to job incentives and not monkey bars down in the City of Auburn.

Following a roll call vote, motion carried unanimously (7-0).

ITEM NO. 13: General Public Comment

The following individual appeared to speak for general public comment:

1. Carol Marple stated she would like to speak a little more about the quality of life programs. She doesn't think she explained herself very well. She doesn't live in Auburn, she lives on Wanamaker Road. She considers Auburn to be her town because that is where she is closest to, that is where she goes to use the monkey bars. She will use Commissioner Buhler's number, there are 45,000 people in the unincorporated areas. We all pay taxes, yes of that \$2 million we only got \$53,000 for monkey bars; that is not being equal. Thank you Councilman Padilla for saying that. All we are asking in the County is for a fair share, and believe me folks we are not getting it.

Commissioner Cook stated he would like to point out the upcoming JEDO meetings for the 2019 year and that the Chair of JEDO will shift from the County over to the City.

Mayor De La Isla stated she would like to take a moment to recognize Commissioner Buhler for her service to our community. Whether she knows it or not, Commissioner Buhler has been a person she has looked up to for a long time. She has already appreciated her demeanor and the respect in which she manages herself. She is a great role model for women out there who are looking to get involved in our community. Phenomenal mother and wife and she will continue to serve our community as she works with shaping minds at Hayden. She wants to say thank you for this last JEDO meeting she will be here with us.

Commissioner Buhler stated she wants to say this is a true partnership between GO Topeka and the City and the County. And she looks forward to these meetings but she has also looked forward to her last one. She wishes future Commissioner Riphahn all the best, she knows this community is in good hands. Her last meeting is much different than her first meeting. We have come a long way and you all have done a huge amount of work, all the volunteers on all the boards, all the staff. We are making great progress, but continue.

NO FURTHER BUSINESS appearing the meeting was adjourned at 9:44 p.m.