

**Joint Economic Development Organization Board Minutes
May 9, 2018**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, May 9, 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 and Bob Archer, City of Topeka Mayor Michelle De La Isla, 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 voting JEDO Board members were absent: Commissioner Shelly Buhler.

The following nonvoting JEDO Board members were absent: City Councilmembers Karen Hiller, Sandra Clear, Sylvia Ortiz, Tony Emerson, Aaron Mays, and Jeff Coen.

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

Molly Howey, Senior VP of Economic Development for GO Topeka; Morgan Padgett, CPA, with Mayer Hoffman McCann, PC; Matt Pivarnik, President and CEO for GO Topeka; Glenda Washington, VP of Entrepreneurial and Minority Business Development for GO Topeka; Kristi Dunn, Kansas PTAC; Karen Lane Christilles, 712 Innovations; Gabriel O'Shea, Forge Young Professionals; Barbara Stapleton, Director of Workforce and Education for GO Topeka; Kayla Bitler, Strategic Coordinator for Momentum 2022; Jim Crowl, Shawnee County Counselor; Joseph Ledbetter, Attorney at Law; Clark Trammell; Carol Marple; Lalo Munoz, Chair of the East Topeka Learning Center Project aka Washburn Tech East; Jeff White, Principal, Columbia Capital Municipal Advisors; Gina Milsap, CEO, Topeka and Shawnee County Public Library; Christopher Campbell, Principal Consultant, Tilson Technology; David Radin, Senior Consultant, Tilson Technology; Megan Bottenberg, Manager of Government Affairs, Cox Communications; Katie Koupal, Area Manager of External Affairs, AT&T Kansas; Karl Watson, Owner, Ad Astra Fiber; Lazone Grays.

ITEM NO. 3: ACTION ITEM: Approval of February 28, 2018 and March 14, 2018 JEDO Board meeting minutes.

Mayor De La Isla moved to approve the February 28, 2018 and March 14, 2018 meeting minutes as presented. Councilman Padilla seconded. Following a vote, motion carried unanimously (6-0).

ITEM NO. 4: ACTION ITEM: Approval of Funding for Project Marble

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

Project Marble is an existing Shawnee County commercial transportation company that is growing, purchasing a new site and looking at expanding their building footprint as well. They currently have 17 employees, so they would be at 37 employees after 5 years.

Project Marble Expansion Project Summary

- Industry Type: Commercial Transportation
- Average Wage: \$40,000 annually
- Number of Jobs: 16 retained, 20 new over 5 years

Incentive Proposal

In the expansion of Project Marble in Shawnee County, Kansas with an expected addition of 20 new full-time jobs with an average salary of \$40,000 plus benefits, GO Topeka proposes \$4,000 per new job to be paid out in equal installments (1/5 of each qualified job incentive = \$800 per year) annually over five years. This is a performance-based incentive and details of the agreement will be outlined at a later time via a formal contract with the company.

Below is a breakdown of the proposed incentives:

\$4,000 per new job X 20 new jobs = \$80,000

TOTAL PROPOSED INCENTIVE: \$80,000

Commissioner Cook asked in order to receive the incentive, what does the company need to do, what do they need to show?

Ms. Howey responded they need to prove that they have added 20 new jobs with an average wage of \$40,000 per year. Then they would be paid out the incentives over a period of 5 years, this is a performance based incentive, each year they are audited and their records are looked at to make sure they are performing how they have planned and then they are paid out the incentives based on what they added to their employment count.

Commissioner Cook asked what if they only add 10 jobs instead of 20, what happens then?

Ms. Howey responded they would only get paid for the 10 jobs.

Mayor De La Isla made a motion to approve the funding for Project Marble as requested. Deputy Mayor Jensen seconded. Following a roll call vote, motion carried unanimously (6-0).

Commissioner Cook asked what the timeline might be for them to have more information about Project Marble and who they are and their plans.

Ms. Howey replied she believes what the company is waiting on now is acquiring that new piece of property and once that is done they are ready to go public so hopefully when we have our next (September) JEDO meeting they will be here to address the Board and meet the company and we will have a contract on the agenda.

ITEM NO. 5: ACTION ITEM: Approval of GO Topeka 2017 Financial Statements and Auditor's Report

Morgan Padgett, CPA, with Mayer Hoffman McCann, PC presented the 2017 Financial Statements and Auditor's Report to the Board. This audit includes both the public dollars that JEDO gives and the private funds that GO Topeka raises. The quarterly reports they are used to seeing are on a modified cash basis, however the audit report is done on a full accrual basis so there are some differences in the way things are accounted for.

Highlights from the 2017 Financial Statements and Auditor's Report:

- Pages 1-2 are the actual audit report. This gives their clean, unmodified opinion on the financial statements which means they were in accordance with accounting standards as required.
- Page 3 is the Statements of Financial Position. This lists the assets and liabilities.
 - In 2017 total assets were \$28,434,423. Most of that is sitting in cash or cash equivalent investments (\$19 million), there is \$2 million in restricted funds – that is the Mars escrow that had been funded but hasn't been drawn yet, \$7.3 million for land held for economic development – that is land that has been purchased and is waiting to be given as incentives as needed.
 - Total liabilities in 2017 were \$19,600,810. Most of that is in deferred grant revenue for JEDO (\$17 million) – these are funds that they have approved to carry over into future years to spend. The other big one is the improvement and training incentives of \$2 million – that is the amount that Mars has earned but has not drawn yet.
 - Total net assets of \$8,833,613.
- Page 4 is the Statements of Activities. This shows the revenue and expenses.
 - Total support revenue is \$2,562,882. Most of that is JEDO grant revenue. Again this is on an accrual basis so revenue is only recorded when it is expended, not when it is given.
 - Total expenses \$4,170,087.
 - Change in net assets (\$1,607,205).
- Page 5 is the Statements of Cash Flows. This gives them more information about how cash actually changed for the year.
 - Net cash flows from operating activities were \$2,302,839. That means day to day operations generated that amount.
 - Net cash flows from investing activities were \$205,218
 - Net increase in cash and cash equivalents \$2,508,057
- Page 6, Note 2 Summary of significant accounting policies. There were no new policies and no changes to policies that were made during the year.

- Page 8, Note 4 Investments and fair value. This gives a little more breakdown of how the excess funds are invested between money market funds and certificates of deposit.
- Page 9, Note 8 Restricted Funds. This provides information about how the Mars escrow account changed throughout the year. That account has been fully funded in accordance with the incentive agreement, so they are just waiting on Mars to use that fund.
- Page 10, Note 11 Related party transactions. This details various transactions which occurred between GO Topeka and the Chamber or related organizations.
- Page 11, Note 12 JEDO grant. This describes the terms of the funds GO Topeka gets from JEDO and notes that in 2017 a new 3 year grant agreement was approved to start January 1, 2018. Also JEDO has approved carryover of the unspent funds and of those unspent funds \$974,000 and \$908,000 will be used on the minority and women-owned business program.
- Page 12, Note 15 Incentives. These are incentives that are planned to be paid out over the next several years assuming performance is done by those employers. These are not recorded as a liability because they are performance based.

Commissioner Cook asked if they could jump back to Page 9, Note 8 Restricted Funds. She mentioned that was for Mars and recalling back he believes there was some discussion as to the construction, he believes a fire station, is that what we are talking about with those restricted funds?

Ms. Padgett replied no, the fire station is actually under a separate liability account, if you look at Page 3, Statements of Financial Position, there is a \$203,158 liability (KFCP Improvement and Fire Station Fund) and that is the amount they are holding for that. The \$2 million restricted fund is purely based on the incentive contract.

Councilman Lesser made a motion to accept the GO Topeka 2017 Financial Statements and Auditor's Report. Mayor De La Isla seconded. Following a roll call vote, motion carried unanimously (6-0).

ITEM NO. 6: PRESENTATION: GO Topeka Quarterly Report

Matt Pivarnik, President and CEO for GO Topeka presented to the Board. He wanted to first introduce them to their new Senior VP of Finance, Natalie Zeller. To brag on her a little, they hired her from Payless, she is the second person they have hired from Payless. And he would challenge everyone, if they have an opportunity to hire someone from Payless, they are really good employees. There is some news out there; people don't want to relocate to Dallas and so they are really looking and counting on our business community to interview and hire them. The other thing about Natalie is that they made her an offer; she needed to give 3 weeks' notice to Payless, she's a CPA, she has an MBA in Finance, she went to Washburn University, he thinks she was President of her high school accounting club, but in that 3 weeks she actually enrolled herself in a nonprofit accounting certification class that she is going through right now.

He wants to say, Ms. Howey mentioned audits of the companies for incentives, audits are really important. He wants them to know they really do pour through the performance of these organizations and we are very meticulous and careful with awarding incentives and making sure that the company is keeping their end of the bargain that we made with them. That is something we take very seriously, he has seen some of the requests that have been made to the organizations for information, he actually saw a request for 90 additional pages from one before they would release an incentive.

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

Business Development and Attraction

Very active 1st Quarter

- New facilities vs. Existing
- Expansions vs. Relocations
- Workforce is key

Looking Ahead

- Hosting international consultants
- Hosting Kansas City Brokers
- Outbound marketing activity

Business Retention and Expansion

Business is Booming

- Record number of active projects
- The word is out!
- Capital investment is trend

Looking Ahead

- Jackie will be back!
- Headquarters visits
- Business visits
- Incentive offerings review

Glenda Washington, VP of Entrepreneurial and Minority Business Development for GO Topeka reported:

Small Business Incentives

- \$71,000 Incentives issued
- 18 Incentives issued
- 25 Currently in the Pipeline

First Opportunity Loan Fund

- \$50,000 One Loan Issued
- 2 Requests in pipeline totaling \$190,000

Fastrac New Venture

- 12 Start ups registered
- \$91,990 Incentives issued YTD
- Fast Trac Graduates
- Economic Gardening
- Buy Local Campaign
- Small Business Summit

Kristi Dunn, Kansas PTAC (Procurement Technical Assistance Center) reported:

- 168 Active Client
- 12 New Clients
- 85 One-on-one Counseling Sessions
- 1 Event Held

Small Disadvantaged Business	\$92,269.00
Woman Owned Small Business	\$ 8,570.00
HUBZone	\$20,197.00
<u>Service Disabled Veteran Owned Small Business</u>	<u>\$55,074.00</u>
Total	\$108,829.00

Out of Total, Shawnee County received \$38,597.00

Karen Lane Christilles, 712 Innovations reported:

- 35 Entrepreneur Meet up attendance
- 40 Entrepreneurs Presenting at 1 Million Cups
- Pre-Incubation Entrepreneurs
 - 37 Makerspace Entrepreneurs
 - 65 CoWork Space Entrepreneurs
- Incubator Entrepreneurs beginning Summer 2018

Gabriel O'Shea, Forge Young Professionals reported:

- 1,734 Members
- 25 Events/Meeting in Quarter 1
- 752 Members attended events
- TopCity Interns

Barbara Stapleton, Director of Workforce and Education for GO Topeka reported:

- 1,820 SOTO Trips to date (through March)
- 192 CaRE (Career Readiness) bus passes used to date, 24 in 1st Quarter 2018
- 53 Students assisted in JEDO Scholarships
- \$23,000 In scholarships awarded

Kayla Bitler, Strategic Coordinator for Momentum 2022 reported:

Metrics – last time she had told them that the Implementation Committee had just approved a set of metrics. That set of metrics has now been published and is available in the GO Topeka Quarterly Report. The metrics scorecard has become a passion project. One thing that is coming in the future is a deep-dive of that scorecard. The scorecard is divided into each of the strategic initiatives of Momentum 2022, what we aim to have in the future is lots of supplemental information that tells the bigger picture.

Work Groups:

- Downtown & NOTO – working to determine if Downtown/NOTO Master Plan or Market Study would be effective and a usable tool.
- Marketing – developing a Momentum 2022 Speakers Bureau to spread the message not only about Momentum 2022 but also really about positive developments within our community. That Speakers Bureau, since January 1st, has formally presented Momentum 2022 to about 750 community members.
- Entrepreneurship – working on Global Entrepreneurship Week as well as Start Up Grind and getting those programs activated in our community.
- Economic Development – working most actively on discussions of Quality of Place and how that fits in with Economic Development. They hosted and facilitated a conversation where they brought in the Quality of Place workgroup to have that conversation with respect to what criteria would we provide to the sub-committee of JEDO who is working on Quality of Place to recommend how to fund Quality of Place criteria with economic development dollars.
- Community Engagement, Pride and Service – focused on collaboration without duplication. They are working on several projects right now, some of them include collaboration with Shawnee County Parks + Recreation as well as ArtsConnect to involve the Hi-Crest neighborhood in painting a mural on the new basketball court at Betty Phillips Park. They are also working to build awareness of an app that was developed by Topeka High students to help provide information as to available resources in the community with respect to food resources or mental health resources. Also they are partnering with the City of Topeka to engage volunteers through the City's Team Up to Clean Up effort.
- Quality of Place – working on an educational marketing campaign that will start to highlight the importance of public/private partnerships as well as some of the incentives we are able to offer.
- Talent Development – have broken into different sub-committees to work on multiple things at one time. Workforce Inventory Committee and Kindergarten Readiness Committee are actively creating an inventory of available community resources and planning to make that information available on the website.
- East Topeka Council – they have split their focus into three different areas – Code Compliance, Crime, and Infrastructure. Code Compliance is appreciative of recent efforts to be tougher on code violations and they want to pursue mapping those current violations to determine hot spots and repeat offenders. With respect to Crime, Chief Cochran has put two police officers on that committee so they are able to address some of those questions and concerns on the spot which has been really helpful. They are also discussing how to best implement direct contact with citizens with a door-to-door outreach program. With respect to Infrastructure, they are continuing to look at ways to identify support for East Topeka infrastructure.

ITEM NO. 7: DISCUSSION WITH POSSIBLE ACTION: Quality of Place & Economic Development

Commissioner Cook stated this is an item that did come up at the last JEDO Board meeting; there was a sub-committee that was formed of Councilman Lesser, Mayor De La Isla and himself, with the assistance of the GO Topeka staff and as mentioned the Momentum 2022 Quality of Place sub-committee and also with the assistance of Shawnee County Counselor Jim Crowl. There is a proposed resolution in the packet and this is being presented for their consideration, discussion. If we ultimately want to take action on it, he knows there are some members of the public signed up to speak on it, if we get to that point of possible action. He will turn it over to Mr. Crowl as to how we got to this resolution.

Jim Crowl, Shawnee County Counselor stated this draft resolution is the result of the work of the committee and the members of the sub-committee of Momentum 2022 he is sure will recognize paragraph 4 and the criteria that was established. In drafting the resolution, he went out and tried to just read a lot of information about there on this subject. He couldn't find one scholarly article or one community that had a draft resolution that he thought fit with what he heard the JEDO members and community members speaking about so he picked pieces of different things that he read and put those into the draft.

As they will see paragraph 1 is a definition. That was one of the more succinct definitions of "quality of place" that he thought would be appropriate for a draft. Paragraph 2 contains a listing of various characteristics you might find in a quality of place resolution. Paragraph 3 establishes the fund. There are a lot of open questions when it comes to that but it simply is a paragraph that establishes the fund. Paragraph 4 lists the criteria; a lot of the work was done from that Momentum 2022 sub-committee. Our JEDO sub-committee also made some changes in the criteria and also added an exclusion to make it clear this is for places and not for community organizations to seek funds for special events. And paragraph 5 is a procedural paragraph outlining a proposed process for how a quality of place project would be vetted and then brought before JEDO for consideration along with the requirement that it be an actual agenda item that is noticed up to give JEDO members and the community an opportunity to comment before a project could be selected for funding.

Commissioner Cook stated he knows that Councilwoman Hiller was not able to attend tonight but she did send communication specifically on that last item as to what was meant by a "public vote" and he knows that our intent was that would be a vote that was made in public by JEDO and not by the staff of GO Topeka making a decision as to what quality of place is. While they may make recommendations ultimately the vote is made by the JEDO Board.

Mr. Crowl replied yes. It could also be interpreted to mean a special question election or something like that.

Deputy Mayor Jensen said, out of curiosity, he doesn't see anything in the resolution he has any real concern over but do the members of the committee have some ideas as to what types of facilities they were thinking of when they crafted this language?

Commissioner Cook replied he can say specifically what he was looking at, when you talk about quality of place based on our discussion at the last JEDO meeting and involving all of the JEDO members, and members of the public, was what distinguishes Topeka from other communities, what makes us unique? Whether it is cultural, or artistic, or civic, but something that would make Topeka/Shawnee County distinct and unique from other communities.

Deputy Mayor Jensen responded so not just a park per se, but something specific to our community that is not replicated anywhere else.

Commissioner Cook stated that is really where we got to in our discussion is distinguishing quality of life from quality of place, because those are two different things.

Mayor De La Isla made a motion to adopt JEDO Resolution 2018-1 – A Resolution Establishing a Policy for use of Economic Development Funds to Promote Quality of Place in Topeka/Shawnee County. Councilman Padilla seconded.

Commissioner Archer stated he cannot support this. He thinks quality of place is critically important to our community but the voters didn't give JEDO clear authority to spend sales tax dollars on quality of life. And he will go to the resolution that was passed for the sales tax, it addresses economic development, and it says:

“Whereas, the previous countywide retailers’ sales tax provided economic development success with the addition of Topeka Mars plant, Home Depot Distribution Center, Topeka Target Distribution Center, Bimbo Bakery USA Factory and many others too numerous to mention to the Topeka and Shawnee County economy;”

That was the rationale for economic development on the ballot that was passed. In his opinion the voters did not vote for a downtown plaza, or the Jayhawk Theatre, or the Riverfront Authority, or any other political project and that is what those are, they are political projects. So he can't support this and in his humble opinion this is a betrayal of the voters and it may seriously jeopardize future initiatives to generate sales tax.

Commissioner Cook responded that he appreciates Commissioner Archer's remarks but he thinks we also have to look at in the Interlocal Agreement, one of the very first parts is that this JEDO Board is the one that defines what economic development is.

Commissioner Archer replied the Interlocal Agreement was not passed by the voters, it was passed by the politicians.

Commissioner Cook responded but we are responsible to the voters.

Mayor De La Isla stated that when she was taking a look at JEDO's operating agreement it does state that JEDO has the opportunity to set the goals annually with regards to what economic development is. Furthermore we paid a substantial amount of money when we had a consultant come and tell us about the things that we needed to focus on in our community which has given birth to the Momentum 2022 plan, which is the plan that we have all as a community adopted on what we are going to do and if you take a look at what our whole community has requested, we had 2,300+ people in our community talk or make votes and one of them was to create a vibrant and attractive place. That is economic development, that is part of our strategic plan, we have been talking about it in Momentum 2022, and she is going to fully support this. She feels it is under our responsibility to ensure that we are doing everything we can to grow the economic development in our community.

Commissioner Cook stated also respectfully in the ballot it did not have any discussion about the rides to employers, it did not have anything about a TopCity Intern project, it did not have anything about 712 Innovations, about small business development, about PTAC, about an EMBD, about Small Business Summits, about the number of workforce projects that we may have. All of the things that we just spent the last 40 minutes going over, none of that or very little of that was actually within the ballot question.

But all of that was deemed to be a priority by JEDO as economic development. And so the question becomes is quality of place a priority for JEDO for economic development and that is ultimately where we are going tonight with the resolution but also in the future when we look at any project that may come before this Board whether or not it has the merits to pass beyond this resolution as quality of place. Many projects won't have the merits to fit within this resolution.

Deputy Mayor Jensen stated he appreciates Commissioner Archer's comments. This language in the resolution is written intentionally vague in order to give it flexibility, however with flexible language also has a slippery slope. Because it is written intentionally vague it could be applied to a vast number of projects that would not be appropriate to use for and that is part of the reason why he asked if they had some examples for what they were thinking of when it was crafted. But Commissioner Archer is absolutely right, at the end of the day we have a responsibility to use this money appropriately and he does feel there are some narrow instances where it is appropriate to use sales tax money to spur quality of life and quality of place because that is a huge part of attracting his generation. It does no good to bring jobs to this town if we have no employees and we absolutely must do quality of place and quality of life to get employees. That said, he believes JEDO should exercise caution when approving programs under this because it is very specific. We can't use this to fund things that folks can't get to, so a private country club, probably not. A public park that is open to everyone, that is a whole different matter. There are some constraints in here, it is written vague for flexibility. He will support it but he wants to encourage JEDO to exercise caution when reviewing these projects because this is one of those things that can get absolutely out of hand rapidly and Commissioner Archer is correct that the voters have entrusted us to get this sales tax money for a certain period of time and if we screw it up they are not going to give it back to us and that will be an incredible blow to this community. He looks forward to seeing some projects come down the pipeline for it. He would encourage anyone applying that they cross every "T" and dot every "I" because we have got to execute this perfectly every time or we are going to blow a hole in the whole thing.

Commissioner Archer stated he has had numerous leaders in our community, businessmen that are still trying to figure out what is quality of life and what is quality of place in our community and with those doubts in using sales tax dollars, he expresses those doubts.

Mayor De La Isla stated she thinks that is the beauty of democratic government, the fact that we are all able to have a conversation, and very importantly to hear those concerns that Commissioner Archer is bringing, so that as we are making these decisions we keep those things in mind so we do a better job at educating our constituency and so that as we are making those decisions that this is not just going to be something that someone can apply for. It would have to come back to JEDO and the majority would have to state that yes we are in agreement. One of the things we were talking about was ensuring that we could have whoever we are contracting with, ensure that this also fits the criteria and that it marries with everything we are trying to accomplish in our community to avoid what Deputy Mayor Jensen was saying. It is not going to be a loose process. But she loves the comments and the diversity of thought that is being represented here tonight.

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

1. Joseph Ledbetter appeared and stated he supports the resolution. He serves as Co-Chair on the Momentum 2022 Quality of Place committee. To address one of Commissioner Archer's concerns, years ago Mr. Ledbetter had asked specifically for a definition of economic development. That was not defined in the resolution when it was passed. So he can understand Commissioner's Archer's interpretation of that. But the definition is simply not there. Economic development is something that JEDO defines it to be. He has always believed that Parks & Rec was definitely economic development. Just go look at the faces of the kids, and it keeps families

here, it keeps young people here that might otherwise leave if they have good places to take their kids. They like to take their kids to local parks, Lake Shawnee, Gage, but also these wonderful little community parks that we have. He believes these definitions will get worked on in our committee and what is laid out in this resolution came out of the committee's work and others. He fully supports this but he also understands the concerns about the lack of a definition of economic development, but he thinks we have defined it with our work and our contractor and all the progressive documents that have been passed.

2. Clark Trammell appeared and stated congrats on the great group of people they have had come to present here already today. He is also disappointed that the full JEDO Board isn't here, he thinks it is important whether they are a voting or nonvoting member that there is a Board comprised of the City Council and County Commission who should be here as part of their job duties. Some have excuses, he doesn't know what they are but we need everybody and all the brains here at the same time. And he hopes they hear that and he is saying that as a businessman. He is confused as to why they are even having this Motion. They have the authority to do this without this Motion. He doesn't think they should approve this and he doesn't think it is necessary. If they want to do something like this, then they need to redefine what economic development is. And they included in their definition as to what the mission is of JEDO and GO Topeka. If you are going to write and create this document, then they also need to do it for quality of life. Because quality of place and quality of life, as they have mentioned, are two different things, but yet they are each specific, believe it or not, and defined and they overlap with each other and run concurrently with each other in different ways. Society today, and it has been for years and the millennial's can appreciate this, people go where they want to live first and then they find a job. It is not like his generation where we got the job and then we moved; we move now where we want to be. So quality of place is important and so is quality of life as we use quality of place. So if they are going to define and run a Motion to create quality of place, then they need to do the same thing for quality of life.

Quality of life is the general wellbeing of individuals and societies outlining negative/positive features of life and observed satisfaction including everything from physical health, family, education, employment, wealth, religious beliefs, finance and environment. Quality of place is comprised of three dimensions – what's there, who's there, and what's going on. Those are two distinct things that they need to be sensitive too. We are talking about quality of place but he doesn't think the community really knows what that is. He thinks they think it is quality of life. Be very clear on what we mean by the terms and definitions that we are using because it is the community they represent who are going to have to live with this, and appreciate them and support them. If the community doesn't understand it there will be a breakdown of the dialogue between them and the community. He thinks they need to redefine economic development. He thinks it is a whole different definition than what we are using. It includes other things such as Camp Daisy, Heartland Park, the Plaza, Jayhawk Theatre, Visit Topeka. And he knows Commissioner Archer made a comment about this and he totally disagrees. He doesn't think those are political, he thinks they are quality of place items that create quality of life. He has been involved with the Jayhawk Theatre, Councilman Jensen sits on that Board, Mr. Trammell's wife sits on that Board. What an incredible economic development machine, it is right up there with the Plaza, that isn't political, that is something that is going to attract people to want to live here, to want to move here.

- Carol Marple appeared and stated the comment she wanted to make is she doesn't think we have any kind of economic development when we just let the money sit. The economic development money sitting in the bank doesn't do anyone any good. It doesn't create jobs, nothing happens, it just sits in the bank and that is not why we passed the sales tax. We need to quit giving lip service, we talk a lot about quality of life and quality of place but she doesn't see a lot of in roads being made to improve any of it, but it does make for good conversation.

Following a roll call vote, motion carried 5-1, with Commissioner Archer dissenting.

ITEM NO. 8: DISCUSSION: East Topeka Learning Center (Washburn Tech East)

Construction Project Update:

Lalo Munoz, Chair of the East Topeka Learning Center Project aka Washburn Tech East provided an update to the Board as to the construction project progress.

Design and Construction

- Awarded construction contract was executed by Shawnee County on behalf of JEDO with Champion Builders March 14, 2018
- Project Groundbreaking was held March 15, 2018
- Construction Management Field Report dated April 23, 2018, estimates 3.1% of completion

Current work in progress:

- Asbestos remediation
- Demolition
- Transformer set for electric
- Plumbing trenches dug
- Windows removed
- Trenches dug for IT

Expenditures to date

Purchase of site and closing costs	\$251,909
Environmental studies and asbestos survey	\$22,250
12 month insurance premium	\$8,665
Attorneys fees (agreement, NMTC discussion, planning/zoning, market study review)	\$11,810
City of Topeka, stormwater utility fees, <i>project to date</i>	\$3,750
Property maintenance, <i>project to date</i>	\$6,145
<i>Sub total</i>	\$304,529
Bartlett & West, land survey, topography, zoning	\$8,700
Terracon, abatement design and bid solicitation	\$3,000
HTK Architects, design work	\$213,903
Champion Builders, paid by Shawnee County, pending reimbursement	\$97,763
Champion Builders, submitted to Shawnee County for payment	\$239,623
	\$867,518

Mr. Munoz stated now that construction has begun, the focus now turns on working to build support within the community and that is where he thinks he can bring his experience, together with Pastor Marcus Clark. They will begin to work to engage and establish relationships with individuals who haven't been reached out to yet in East Topeka as well as reestablish and strengthen relationships we already have through our networks. We know from the Market Study that costs will be some challenges for individuals in that area, so working with Washburn Tech to address those issues. We also know there is a fair amount of skepticism as to whether this will actually take off, but we know it will. The phrase "seeing is believing" is something that is very apt here. For many individuals who live in this area, they have not seen anything change for a very long time, but over the course of the next several months as Washburn Tech East opens they will be able to see for themselves that things are in fact changing and that distrust and skepticism will begin to transform into optimism and belief.

Councilman Lesser asked if he could give an update as to the construction project progress. Any roadblocks we have hit, are we are on time?

Mr. Munoz responded everything is progressing on time, we are currently at about 3.1% completion and we believe we are where we should be right now. Up to this point we have not run into any unexpected issues. If you have driven by it, you can see into it.

Councilman Lesser asked if the abatement process had taken place as far as asbestos.

Mr. Munoz replied yes that has.

Councilman Lesser asked did we find what we expected to find?

Barbara Stapleton, Director of Workforce and Education for GO Topeka responded saying yes we did for the most part. Most of the construction project update is the in packet already. One thing that has just come up today and it is just some fill work that we are looking at, there was some sand versus traditional fill where there is going to be the extension of the new entryway, there is going to have to be some additional dirt. There is nothing else that has been a major concern. There have been some change orders but nothing of any magnitude.

Commissioner Cook stated we might have our County Counselor advise on any change orders since the construction project is being overseen by the County.

Jim Crowl, Shawnee County Counselor stated we did have a small change order he believes in an approximate amount of \$2,500 for some additional asbestos abatement that was discovered in a certain area.

Councilman Padilla stated Mr. Munoz mentioned a little bit about the neighborhood and how they are responding to the changes that are out there, is there a specific effort to contact the neighborhood around there to let them know, rather than waiting to have the neighbors come to ask questions.

Mr. Munoz replied one of the things that Washburn Tech is working on is creating a couple of groups, one around the idea of businesses and the second is around the idea of churches and working with faith organizations. Because we know that we are working with East Topeka and a group of individuals who maybe find it more difficult to engage themselves and find out what is going on, we are working to make sure we are creating opportunities that works within their schedules and would help educate those residents and neighborhoods about what is going on and make sure we are communicating as best as possible.

New Markets Tax Credits Update

Barbara Stapleton, Director of Workforce and Education for GO Topeka and Jeff White, Principal, Columbia Capital Municipal Advisors provided an update to the Board as to the New Markets Tax Credits.

The last time we discussed the project we had a commitment for allocation from Raza Development Fund out of Phoenix, since that time we do have a commitment to invest, so that means a tax credit investor will buy the tax credits, which is PNC Bank out of Pittsburg. They are a pretty active player in the New Markets base nationally and have been quite aggressive with their tax credit pricing along the way so we are happy to have them on board. They have worked on a number of projects with Raza Development Fund, in fact he thinks they are closing on the project in another community this week. So expect them to work together and understand how each of them works and their attorneys have worked together before as well. There are lots of moving parts in these transactions and everybody has a lawyer, all of those lawyers are on board which is very important to us because we have a unique structure, we have a relatively simple project by New Markets standards, but a little bit of a unique structure given JEDO, GO Topeka, so on and so forth. All of those folks are now on board and we have spent the last 3-4 weeks in small group and one-on-one conversations to get folks comfortable with the structure, have them come up to speed on what JEDO is, and who GO Topeka is, and how they interrelate.

We will kick off our documentation process with a group call on Friday and will probably have documentation calls every Friday through the end of June, our timing to close we are still targeting by the end of June. While we are talking about the calendar, he would expect to be asking this Board to meet in a special meeting in June to approve the transaction. Among other things we would expect at that point to ask JEDO to convey the property to the New Markets borrower, which is a newly created Kansas nonprofit, to authorize execution of a leverage loan which is basically taking the sales tax dollars that have been set aside for the project and putting them through the structure, and then we've got a little bit of a change with how the agreement with Washburn will be, we had a 3-party lease, it is now going to be a 2-party contract for service in order to comport with the New Markets regulations. So we will figure out exactly what we are going to do but we may either transfer or have you cancel that lease and then the New Markets borrower will enter into a contract for service and we are working actively with Washburn to convert that lease into a contract for service.

As of right now he would anticipate the total net benefit from the New Markets transaction to be about \$1.25 million which means that amount in local sales tax dollars would not have to be spent on this project and can go for other economic development purposes, however you are defining that into the future. There has already been a lot of informal work done to line things up. The documentation process is pretty intense; the closing of these New Markets deals is an interesting mix of real estate, tax, legal, and finance documents, and typically there is about 125 documents on the closing table at the end of the deal. There are a lot of things to pull together, some of them are pretty easy, some of them take quite a bit of negotiation but that is the phase of the process that we are moving into.

Commissioner Cook asked if Mr. White could walk them through the anticipated structure. When we go through this, currently the project is owned by GO Topeka, the County Commission is overseeing the execution of the construction, how is that going to change with the New Markets Tax Credits?

Mr. White responded that the project itself will be owned by a new entity; a new Kansas nonprofit that is being created specifically for New Markets purposes and that is very common in this structure. The compliance piece of the New Markets deal is relatively easy to manage for a real estate deal. One of the

key rules if that you can't pick up the building and move it to a nonqualified census tract, but the New Markets investor likes to see a clean entity own that during the New Markets compliance period so we will have a new nonprofit that will own the project, contract for services from Washburn who will actually operate the project, and that will be its sole function. So we would anticipate that JEDO would convey the property, including the building and the work in progress, to the New Markets borrower (the new entity) and then will reimburse expenses already made toward that project from those New Markets proceeds so there is a little bit of a circle flow of funds on the day of closing from that standpoint. We have talked it through with the parties and we anticipate the County would continue to be the manager of the construction contract, there is some stamp off purposes for that but it is also easier to leave it the way it is. We probably have a collateral assignment of that contract which is typical in any lending situation and the County Counselor will have an opportunity to sign off on those documents.

So from a big picture structure, we have an investor which is making an investment at the time of closing, the investment is effectively the present value of the future benefit of those Federal income tax credits that they are going to get over 7 years from the project, on the other side we have a leverage loan being made in this case by JEDO with sales tax dollars. Those funds come together in an investment fund, which is a single purpose entity created specifically for the purposes of New Markets, that investment fund makes a qualified equity investment in a community development entity, in this case it is going to be a subsidiary of Raza Development Fund. The community development entity ("CDE") is the entity that gets the allocation from the Federal government of these tax credits and has the ability to deploy the credits and projects in low income communities. That CDE then will make two loans to our new nonprofit borrower. It will make an "A" loan which corresponds to the amount of leverage that JEDO has paid in. And the "B" loan which corresponds to the net amount of the New Markets Tax Credit equity. We use all that money to reimburse costs that have already been incurred – the \$867,518 – construction to date plus the costs of the acquisition of the project, plus the additional construction that is left to be done on the project, plus some compliance costs over the subsequent 7 years which is the compliance period. On or about the 7 year anniversary of the closing of the New Markets deal, the investor will have the right to put its interest in the project back to JEDO, at that point the investor says "I've gotten what I've expected, I've gotten the benefit of the bargain, I'm out", the investor walks away, JEDO ends up effectively owing a loan to itself, at that point we can collapse the structure, JEDO will own the right to determine what happens to the East Topeka Learning Center land and building at that point. If everything is going swimmingly we can continue as things are going, the contract with Washburn will run for 10 years. If the structure needs to change we can certainly do that, you can leave the building in the name of this nonprofit and continue to use that nonprofit to own that land, some folks do that, or they could decide to convey it to a 3rd party or keep it for yourself.

Mayor De La Isla asked so she is making an assumption that the Board of Directors of that new nonprofit is JEDO?

Mr. White responded that the Board of Directors of the new nonprofit is actually going to be folks from GO Topeka and there is a reason for that. We can't have a strong relationship between the leverage lender at the top of the structure, which is JEDO, and the borrower at the bottom, which is this new nonprofit. This new nonprofit's Board will be comprised primarily of GO Topeka folks. The other piece of this project is that the new nonprofit needs to have an income stream over its life to pay for its annual operating expenses, which aren't much, but there still needs to be an income flow. That is going to be accommodated by a grant agreement between GO Topeka and this new nonprofit. GO Topeka will agree to make a grant of those monies to the nonprofit so it has an income stream, so that it is actually an operating business.

Mayor De La Isla stated her thought is that before we come to the next meeting with this, it is a lengthy process, and as she is following it, she can see in her head a flow chart with images for here is the start, here is where it goes next. So her hope would be that this would be outlined in a graphic way so that as we are changing the terms we have agreed upon, of course all understanding that we are all going to be a part of it, that not only we have access to it, but as our public is taking a look at it that they are able to follow along with everything that is occurring so it is transparent. It is a lot of information, and she wants to make sure that we are able to have that information as clear and concise as possible so that us and our constituents know exactly what is happening.

Mr. White responded absolutely.

Deputy Mayor Jensen asked if there is a nonprofit Board, how does JEDO provide oversight, as we are responsible to our constituents to provide oversight of this?

Mr. White responded there will be a contract for service and he can tell you that at least the initial draft looks exactly like the 3-party lease JEDO already approved.

Deputy Mayor Jensen replied it is his understand that lease was crafted with JEDO still owning the property. We are not going to own it anymore so it is much harder to provide oversight to something you don't own without a leverage in the lease.

Mr. White responded that is correct. He thinks one of the uncomfortable components of these New Markets transactions is there does have to be a little bit of trust amongst the parties that things will work out. So certainly he is sure JEDO will have an opportunity to see what that contract for services looks like, the terms of the business deal will remain substantively the same – 10 years, providing services for career training and those sorts of things. One way we could think about bridging that is potentially by adding a JEDO representative to that nonprofit Board.

Deputy Mayor Jensen stated he thinks that is an excellent idea. His concern isn't with the current GO Topeka folks because they are fabulous, he has absolute confidence with the current staff. But 7 years is a long time, and he would be much more comfortable if we had some sort of representation on that body, just a time progresses. And he also looks forward to seeing something graphically as well.

Commissioner Cook asked for setting a special JEDO meeting in June, he would note JEDO has certain noticing requirements to hold meetings.

Mr. White responded we will let the progress on the documentation guide that. We would like to have substantially final documents when we come back so that any changes we might have after this body has acted on those documents, any changes would be ministerial in nature and not have to generate another special meeting to do that. So they will definitely keep the JEDO Chair in the loop with how we appear to be proceeding on that front, and then coordinate with this body on when to meet. Also cognizant that we start to lose folks in June due to vacations and those types of things.

Commissioner Cook stated expect the City Council and County Commission who go through budgets so we are here all summer.

ITEM NO. 9: ACTION ITEM: Community Broadband Task Force

Gina Milsap, CEO, Topeka and Shawnee County Public Library, Christopher Campbell, Principal Consultant, Tilson Technology and David Radin, Senior Consultant, Tilson Technology presented the item to the Board.

Ms. Milsap first would like to recognize those here tonight from the Task Force. Pat Oblander, Director of Shawnee County Information Technology, Patrick Clear, Technology Coordinator, Auburn/Washburn School District, Mark Biswell, Director, City of Topeka Information Technology, and Barbara Stapleton, Director of Workforce and Education for GO Topeka. She would like to make a few remarks before the consultants from Tilson discuss the results of a 220 page report in a very brief condensed period of time.

She is first reminded of Mayor De La Isla's remarks from this afternoon where she challenged all of us at the graduation of Leadership Greater Topeka's class to have a vision for what this community can be. She is also inspired by discussion they have had about quality of place and quality of life and she did note that one of the elements of quality of place has to do with good broadband. She also wants to share that she returned from Washington DC last night, where she was representing the Kansas Library Association along with 500 of her colleagues from around the country for legislative day on the hill with the American Library Association and guess what the hot topic of conversation was? Not just for libraries but in general – it is broadband, virtually every aide that we visited with, every member of Congress, the entire Kansas delegation has someone now devoted to developing expertise at broadband. So she thinks this discussion is very timely and she appreciates the resources JEDO has given them to pursue providing good information on this topic and for them to do the work that they needed to do.

A brief reminder, this process actually started in 2013. A lot of good work has been done in this area. Mayor Larry Wolgast and Commissioner Buhler convened a broadband planning task force, originally a lot of that planning occurred under the Kansas Department of Commerce when there was still funding for broadband planning within the State of Kansas. And then once that funding ran out we decided that we needed to pursue our own plan locally that was community based. We requested and JEDO granted them resources and permission to contract with a telecommunications consultant, Tilson Technology. JEDO approved the contract with Tilson in July, 2017 so we began work with them in August, 2017, so it has been about 9-10 months. A lot of good work has been done during that time. Fast, reliable internet service is essential infrastructure, just as our roads and streets are, it is for economic development, community development, supporting market expansion efforts, business creation, and offering the ability to retain and attract businesses and young people in the community. All the things we have been talking about this evening. It also supports individual and economic vitality, it really is the life blood of an information society, it is fueling economic growth and innovation and it is facilitating learning and civic engagement.

Deputy Mayor Jensen stated just for those watching at home, could she state the scope of what the study was to determine.

Ms. Milsap responded that it is a multiphase project. There were two studies that were done when we were still working with the Kansas Department of Commerce. One was an economic impact study and the other was a feasibility study. What folks are going to be hearing about tonight is just a result of what we have been working on, it is just information, not recommendations, we are not ready for that. You will be hearing about a wide range of options and models for community based broadband, whether that's in the City of Topeka or in Shawnee County. And along with that we are asking for permission to continue getting information because at this point now, we have done all the work we can do as a project

team, we need to consult with the telecommunications provider community and that is why we are asking for permission to issue a Request for Information. And this is still part of the agreement that we have with Tilson. No additional expenses are accrued for us issuing an RFI, it really is critical for a complete and comprehensive view of what the options are moving forward with broadband.

Christopher Campbell, Principal Consultant, Tilson Technology and David Radin, Senior Consultant, Tilson Technology presented their report to the Board. *(See Agenda Attachment to Item No. 9 for complete presentation and report from Tilson Technology.)*

Commissioner Cook asked if they could jump to page 2 of their 211 page document, because he thinks it is the elephant in the room. Didn't their study find that it was going to cost \$75 million for a City-wide broadband network and \$53 million in Shawnee County outside of Topeka. That is \$128 million.

Mr. Campbell responded that is correct and there were actually a range of estimates depending on the operating model and the assumptions as to the extent of the build out, but that is probably the most representative number because it would be a standard retail model where you build out the whole City and a fraction of people decide whether or not to subscribe to it. It is important to understand that is the estimated total capital cost, that doesn't necessarily answer the question about who is making that investment. So if you are talking about a public-private partnership one of the key things you are looking for in terms of feedback from providers is who do we split that up, or depending on their appetite for both a response you get back from providers, how much is necessary, and their own budgetary ability, you may choose to break a project into pieces and do the most targeted, strategic pieces that you can take on as opposed to taking on the whole of the City or the whole County at once.

Commissioner Cook stated he would like all of his constituents to have access to broadband, he wants all of their children to be able to study at home with broadband, but at some point we have to embrace the reality that \$128 million, he would love to send every kid to Space Camp but he can't afford that. At what point do we as a Board determine whether or not this is even feasible.

Deputy Mayor Jensen stated he is disappointed. He has not read the entire 211 page study and he intends to but this basically tells us what we already know; that we need to provide some sort of coverage to our community in places where it is not. Their overreliance on fiber concerns him greatly. They don't mention anything in the report about next-generation satellite, he appreciates the aspect of wireless, we have a rather large coaxial copper network as well as twisted pair within the existing City footprint that is not mentioned at all in the report. So what about internet over power lines, has anyone discussed that capability with Westar, he knows they have done some field trials with that. He doesn't see anything about advanced LTE from wireless carriers that is in the pipeline. He is disappointed.

Mr. Campbell responded he thinks it is important to put this in the context of what the study was setting out to do and where we are in the process. This study really deals with the two primary ways that if you were building a new network today that you might choose to do it. If you don't have an existing network and you are choosing to build out a new broadband network, it doesn't matter whether you are a private entity or public entity you are going to use some sort of combination of fiber or wireless technology.

Deputy Mayor Jensen stated what they have brought is an unworkable solution. We clearly don't have even \$100 million to deploy a complete solution here. While he appreciates the pie in the sky, but that is not a real solution.

Mr. Campbell replied to be clear Tilson was engaged specifically to study the economics of this type of network. Specifically the fiber network and the wireless network. And he understands they are disappointed with what the answer is, he thinks if he was to look at the study closely, we recognize that an

entire network is not within your budget, it is not feasible for them to do that. What Tilson was engaged to do was validate and extend the 2014 study. Now recognizing the results of that financial modeling saying this is a very capital intensive proposition, and it may very well be more than they can bite off. What Tilson has suggested is that, first of all finish the inquiry and see what can existing providers do, what pieces can they either do the whole thing themselves or what pieces of either investments or operations would they be willing to partner with a local jurisdiction on. And to the extent that they have a need they want move forward, Tilson has suggested some ways to target investment and to identify investments that are quite a lot less than the \$75 million.

Deputy Mayor Jensen stated every single one of their points for the RFI are fiber. Again, full disclosure he has not read the entire study, but he intends to, but they list: fiber on key routes, fiber to wireless nodes, fiber to pockets of demonstrated consumer demand. We can't do an RFI for LTE over cellular if everything is fiber.

Mr. Campbell stated he can delve a little more into that. To give them a different number that is also in the report. When you get to the section on the hybrid fiber wireless network, the estimate for the capital costs for that network was \$7.2 million. So they looked at that as an alternative which is significantly less money than a full fiber build out. They estimated about 65% of those costs was actually in the fiber back hall servicing to the network. If you look at the economics of that wireless network, really to the extent that you've got a network that is uneconomic in a rural area, getting that back hall to that collection of wireless sights is going to be one of the biggest costs. We modeled a particular type of wireless network, just one, and we chose that particular type because it would be the one type that you could pretty much be assured that somebody would be able to implement. LTE networks for instance, you have to have a license from the FCC.

Deputy Mayor Jensen responded he agrees with all that but if we are going to do an RFI, he doesn't want to limit it to a specific technology. There are all types of emerging technology that is in the pipeline and if we are going to kick an RFI out he would like to see proposals on that emerging technology. There is absolutely a case for tried and true technology and he gets that, but tried and true technology is also very expensive in this case.

Mr. Campbell replied what he would counsel them on is, putting this in three broad buckets. Bucket #1 is they are interested in providers who are able to leverage existing cable or telephone networks, you should ask about that and that is one of the recommendations for an RFI, but the companies who already own those networks are going to be really the only ones who can answer those questions, and they should be the ones to answer and they should be asked those questions. Bucket #2 is fiber, not necessarily because they should take on the task of building out fiber for everywhere, it is really because fiber across all of these networks is a common element and it's just really a question as to how close does it get built out to the end user. Bucket #3 would be wireless. His approach on the wireless he would encourage them to focus on what would wireless providers do, if you could help them get to the point where they have economic back hall. Because fundamentally if they could do that, then there is a business case for it, and you shouldn't really have to do more than that. So it is really a question of doing only what you need to do and not doing more.

Deputy Mayor Jensen responded this is the information he was expecting to see in the presentation as opposed to saying we have a problem and we need to do something about it. He wanted to see the amount that they would recommend JEDO subsidize to get to something being built to service that.

Commissioner Cook stated along that same line, he mentioned several times existing providers, local providers, what conversations did they have with our local providers in preparation of this report?

Mr. Campbell replied that they have not had any conversations with them so far because the way the project plan was structured this next phase was the phase to engage them.

Commissioner Cook asked how could they even prepare a report about what options we have if they don't know what our local providers are working on building.

Mr. Campbell replied that the scope of their study was not to study the economics of the existing providers, the scope of the study was to give them a baseline of information about what the economics of a new network would be.

Deputy Mayor Jensen stated but we are not going to build a new network, we were never going to build a new network, correct him if he is wrong. So he is not quite sure what we have paid for.

Commissioner Archer stated he recalls asking Deputy Mayor Jensen about whether this was a good idea and he said it was.

Deputy Mayor Jensen replied it absolutely is a good idea to get somebody in here to make some recommendations on emerging technology and working with the existing carriers, what subsidy limits should be. It should not be a report that says we have a problem we already know about and then to build a brand new fiber to the home network.

Commissioner Archer stated he sees his point. He isn't sure why we didn't make that clearer in the proposal stage.

Deputy Mayor Jensen responded he wasn't a voting member of JEDO at the time that happened. Had he been or if he had been on the task force he would've absolutely made those points but he is just now in the position where he can do something about it. He appreciates the work that has gone into it and he will read the whole report as an IT professional but he is hoping there is some more information in there other than what we have been presented.

Ms. Milsap stated to be fair we submitted the RFP to JEDO for their approval, and JEDO gave the committee permission to issue it. There is no question that we want to look at those emerging technologies but we want that information to come from providers and if we structure the RFI correctly, we can get to that. But we started out with a baseline level of information, and we are not at the point of making recommendations. What we are at the point of is looking at what the possibilities are in the models and then going to the providers.

Deputy Mayor Jensen stated but they can't pretend to know what we already have. There is no emerging technology in this report that he has seen; all it just says is we have a problem and here is a recommendation to build out a whole network.

Ms. Milsap replied because that is the phase that we are in.

Commissioner Cook asked when we were having the broadband discussion, were the local providers invited to those meetings, or some of those meetings?

Ms. Milsap stated early on, in the early part of the process, back in 2013 they were. Here is our concern about engaging providers before we got to the RFI phase, and that was that we didn't want to compromise the process by giving some providers access and not others. And so the time to engage providers is now.

Commissioner Cook asked but why wouldn't we want their information from the early stages. They are the ones who are the experts in the field or they are providing the service, why wouldn't we want to draw from their expertise.

Ms. Milsap responded we will be.

Commissioner Cook stated it would be like he can read a book about how to perform heart surgery or he can ask a heart surgeon how to perform heart surgery.

Ms. Milsap stated to remember we all work for government, and when you are going through a procurement process there is a time and a place to invite providers to respond, whether that is an RFI or RFP. What we were looking at was providing broad based objective data that was community based.

Commissioner Cook stated he is just confused as to why we would close out people who can help us through this process. He thinks the more people you have at the table, the more hearty the discussion can be.

Ms. Milsap replied she thinks they were concerned about compromising an RFI or RFP process if some providers were included and others were not.

Deputy Mayor Jensen stated there are only a handful of providers in the whole community. There are only ten that he can think of. He appreciates all the work the committee has done but he is not ready to move forward with this at all until he sorts out what this thing is other than simply telling us that we need to provide coverage for residents.

Commissioner Archer stated he believes we have already paid for an RFI haven't we?

Ms. Milsap replied yes we have.

Deputy Mayor Jensen stated we have and he thinks absolutely we should submit one but he wants to read the report and understand it and then he thinks JEDO should craft its own items we would like to see go into an RFI to hand to the committee and Tilson to massage before we actually submit it.

Ms. Milsap stated the committee would welcome those contributions.

Deputy Mayor Jensen made a motion to table the request to move to Phase 3 and issuance of an RFI until the June, 2018 Special JEDO Board meeting. Commissioner Archer seconded.

Mayor De La Isla stated she can understand the questions, we all have the questions, however would it be feasible for us to stop this if now is the point that the committee is going to engage with our partners and then allow our partners and everybody to start providing that information that we are looking for. Even though we didn't get the information that we thought we were going to get from the report initially, she thinks that by having the partners in the conversation right now, they will be able to start talking about what technologies, what are the things that can be brought up. And holding this up right now will stop the process of them engaging those partners.

Deputy Mayor Jensen responded but the way an RFI is written, the RFI has to be crafted and sent out before that conversation can happen and he wants to make sure we do the RFI right because he is not confident that the report has been done right and that is why he is asking for a delay so we have time to get the RFI part done correctly and get the answers we want back. He wholeheartedly agrees and he would love to do a dialogue now if we could but with an RFI we are not allowed to. We submit a request

and they send us back information so our request has to be crafted correctly in order for us to get the answers. He would like this to come back at the special JEDO meeting in June because time is of the essence and we have folks out there that need connectivity, he does not want to wait until the September meeting if we can avoid it.

Commissioner Archer stated his question would be if he doesn't have any confidence in the work they have done so far, why would he have confidence in the RFI process.

Deputy Mayor Jensen stated because in the RFI process we would get our local carrier's responses and it is not that he doesn't have confidence in the work, if they were contracted to tell us we have a problem and here is a possible answer and here is the economics of that, then they have a lot of numbers in here and he expects it would support that. But what we don't have is a solution to solve the problem, we just have a 200 page study reinforcing the problem.

Councilman Lesser stated prior to any vote, he would note we have some people signed up for public comment, we have an individual from Cox Communications, from AT&T, an Ad Astra Fiber, he would request prior to any vote we would listen to public comment.

Commissioner Cook stated as we would. There is a motion on the table which is a motion to table the request to move to Phase 3 and issue an RFI until the June Special JEDO meeting with a date to be set based on the New Markets Tax Credits. That Motion was made by Deputy Mayor Jensen, seconded by Commissioner Archer. We have members of the public signed up to speak, if we could have them speak now.

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

1. Megan Bottenberg, Manager of Government Affairs, Cox Communications appeared and stated Cox Communications is thrilled for what an exciting time it is here in Topeka. Our City is growing and we have great sights ahead of us. Cox Communications wants to be a part of it. We have 65 employees in Topeka, 1,100 employees statewide, and we are committed to seeing Topeka grow. We are throughout the City, in Auburn and in Silver Lake. Cox has been an innovator in the development and deployment of advanced telecommunication technologies to connect our customers, whether they are residential or business. Now while we have discussed tonight, JEDO's intent to ensure everyone in Shawnee County has broadband access, we at Cox believe this is a worthy goal and one that is best achieved with private-public partnerships. Government-owned networks have not been successful across the county. Cities who have tried have been saddled with debt, struggled to invest in networks, and failed to meet customer's needs and demands. And she would caution them, as has been discussed spending \$75 million for only 39% of the population, does that really help us to meet our solutions and solve our problem. This is obviously highly optimistic since private competitors such as Cox will be providing the same service and same speeds and a lot sooner by the end of this year and will have a much broader marketing effort. We ask that JEDO listen to the companies that have long invested in the community. We want to help solve this problem. We have employees who live here, who work here and want to be part of the solution.

So instead of spending dollars on a solution we argue that would not solve the problem or the priority issues outlined, on behalf of Cox we ask that you let the partners who are committed and invested in the community be at the table. Let's be innovative together, let's do something really cool for Topeka that we can be the model for broadband solutions across the state and maybe even the country. Over the past 16 years Cox has increased their data speeds 1,000% and right now we have 300 Mbps available to our

residential customers and 10+ Gbps for business customers. And by the end of this year, Topeka will be a Gig city, we will provide Gig service to all of our residential customers throughout our national footprint, but especially here in Kansas, Auburn, Silver Lake, and Topeka. All of this with no expenditure to the City. So to the reports desire to have a Gig service, Cox is pleased to make this another example of their commitment to Topeka and all of Kansas. Additionally, to bridge the digital divide, Cox offers low cost internet and devices to low income students and their families through their Connect to Compete Program. And earlier this year, the legislature passed a bill that establishes a task force to solve this exact problem for all of Kansas. Cox welcomes the opportunity to work with JEDO, and all of our leaders and partners to bring our services and products to more people and help close the digital divide. It is our hope that the focus is on the efforts to solve the problems we are truly trying to solve and that the answers to these problems be private or public-private partnerships.

2. Katie Koupal, Area Manager of External Affairs, AT&T Kansas appeared and stated that Topeka and Shawnee County are no alone looking at this issue. AT&T is in similar conversations with several other municipalities in Kansas. AT&T is also involved in the conversation at the Statehouse regarding the broadband task force. AT&T wants to be involved in this conversation, they don't want to be an obstructionist but they think they can contribute. Consumers are clearly demanding improved access at greater speeds. To meet that demand AT&T is investing over \$100 billion in improving their network. In Kansas that means expenditures of over \$775 million between 2014 to 2016 and they have increased since 2016. They have approximately 900 miles of fiber in Kansas with plans to build even more. In Topeka business customers already have access to fiber and residential customers will have that opportunity later this year. AT&T is committed to using new and innovative technology to expand broadband access to more homes and businesses. They are participating in the FCC Connect America Fund to improve internet offerings to all Americans. In Kansas we are spending \$19 million per year over 5 years to connect over 35,000 homes and businesses in high cost census blocks as determined by the FCC. This is being done with some pretty cool technology and they actually tested it in Colby, Kansas just a few hours away. It is called Fixed Wireless, which delivers broadband through the air using a base station and a fixed antenna about the size of a pizza box which is mounted on a customer's home. This is a cost effective method to deliver high speed internet to rural customers. Another exciting technology that is in the testing phases, and is scheduled for deployment in 2020 is called Project AirGig. This is intended to address the problem of providing service to customers in that last mile of service. Traditionally this is the most expensive part to deploy using traditional methods. Project AirGig will deliver low-cost multi-Gigabyte wireless internet speeds using power lines. The technology powers itself without a direct connection to the wires to create a more affordable and easily deployable technology. The signal will travel along and near the wires, but not through it. It will reduce the need for new towers, for new builds, for less building, which means it will be easier to deploy.

One perception providers have frequently encountered is if you build it, customers will come. Not everyone who has access though is subscribing, especially in Kansas where the adoption rate is lower than the national average. 97.3% of households in Kansas have internet access with a minimum of 10 Megabytes per second, compared to the national average of 95.9%. Unfortunately only 57% of those Kansas households are currently subscribing. So one way AT&T is addressing this problem is through their low-cost internet program called "Access from AT&T." It is available to households where at least one member is a SNAP ("Supplemental Nutrition Assistance Program") recipient, and they get internet for a monthly fee between \$5-\$10. Over the past month she has met with several of them and has enjoyed the conversations. One of the items discussed is

that if government wishes to get involved in the broadband industry, they should place a priority on ensuring a level playing field exists, on allowing providers to take advantage and encourage them to quickly deploy these new technologies, and work with providers to address the adoption challenges. The most effective partnerships are those that harness the capabilities and efficiencies of private commercial networks and they look forward to working with all of them to find a creative, cost effective, and achievable solution for Topeka and Shawnee County.

3. Karl Watson, Owner, Ad Astra Fiber appeared and stated he moved to Topeka two years ago by choice. He would like to think he is Home Grown Talent that fits in with Momentum 2022. We have a powerful strategy going in Topeka, especially downtown. One of the first things that he did was join 712 Innovations as an entrepreneur and started a business. At first he didn't know what business he wanted to start. He had ideas: internet, natural spoken language, artificial intelligence, and broadband. He continues to work in each of those areas, he has projects that are ready to go forward. His passion project is broadband. A year and a half ago he formed a business, talked to a lot of community leaders, got his feet on the ground, realized that this process was underway to study the market. He thinks that was the right thing to do, he would like to support what Gina (Milsap) is trying to do with that tonight. He is a provider, he wants to be included, but he wants all of them to understand what this is before they start to request information from him or more importantly from his bigger competitors, AT&T and Cox Communications. He thinks it is very important that we have a level playing field. It is difficult for an individual like himself to get on a level playing field in this environment, but luckily he has things like 712 Innovations and the entrepreneurial community here to help him. A year and a half ago when he decided to do this, he had almost no money and since then he has spent about \$30,000, which is mostly on credit cards, to bring up his first site which is about 100 homes that are connected with fiber and Wi-Fi. Fiber runs to the building and then he does Wi-Fi connections so that there is no equipment required and no sign up, no appointment, for any of the people who live in those homes. He has 100 sites that he has put in by himself, that is the type of action that an entrepreneur can do. Now he doesn't think that is Plan A for this City, he can't do the City and the whole County, but he wants to offer them Plan B, which is Karl Watson can show up and get things done. He has a very strong financial background, he has an electrical engineering degree from Kansas State University, he has worked at Payless Shoesource, he managed a \$100 million expansion project for Payless, he knows what that money means, with his finance background he knows how to control it, how to staff it, and how to manage it. He is here tonight to tell them they have a great resource over at 712 Innovations, he is ready to help. He thinks this process needs to go forward as fast as they can because on his clock we are not any further ahead than when Topeka changed its name to Google, what was that 6-7 years ago? He is going to go back tomorrow and work on his fiber customers because he has raving fans and they want this and they aren't high-end homeowners, these are everyday people, they just want access, they have kids that want to learn. It is his passion project, he thinks they can hear his passion and he would take any questions they might have now or at anytime.
4. Lazone Grays appeared and stated there are people who know he has been engaged in this conversation from the very beginning. When the question came up about doing the RFP, he brought that up because there were things that were not in there that are now a part of this discussion. But he thinks one of the Commissioners at the time said it would get taken care of down the road and now we are down the road and it has caught up with us. This is Digital Inclusion Week, nationwide, so that is part of talking about bringing access to those underserved communities and individuals. He wants to go back to an article written December 16, 2015 when the JEDO approved its 2016 budget that included \$250,000 for workforce internet broadband initiative. After that vote the conversation quickly moved onto downtown, parts in the County,

and his biggest fear is that as they expanded that conversation then this little one part of it was going to get sucked up into a \$50-\$70 million deal that nobody is going to be able to pay. So he guesses it went to an RFP not for the workforce development initiative, but for the whole City and the County. And he would hate to see something that is very small and minute be derailed because we are being forced to look at this huge picture. He looks at maps like the City's map of poverty and the composite and the red areas on the map are "Intensive Care", the pink areas on the map are "At Risk" and his next question is, is there a digital divide in these areas. It is either yes or no. If there is, what are the recommendations of models on wireless or fiber to the premise that could be potential solutions and what are the costs of those. He has always come here to speak of the digital divide. Does Hi-Crest have a digital divide issue? He doesn't know. What about Montara that is outside of the City, in the County. That is a whole low income community. Does it have a digital divide? If so, what are the perspective recommendations for that. It could've been Oakland, or North Topeka. He thinks that is the type of basic information that would've helped make a better decision on targeting some of the \$250,000 or if they wanted to go even higher than that. You pay for a technical report and that is what you got with guys at that level. But he was hoping, we have some targeted populations, maybe there isn't a digital divide in parts of East Topeka or Montara, but there is something that needs to be done to enhance. Digital inclusion and digital equity is to a certain degree two separate things. Maybe there is a certain type of programming that needs to go on in the Hi-Crest area, in a building that is already there that deals with digital equity. He has worked with Google Fiber from the time that they rolled out the fiber, to making sure that the lowest income neighborhood in the State got fiber. Mr. Grays requested a few more minutes to make comments.

Councilman Lesser made a motion to extend Mr. Grays time. Councilman Padilla seconded. Following a vote, motion carried (6-0).

Mr. Grays stated he is not a part of the stakeholders. He would like to see more diversity of people and minds sitting on that because he thinks some of the conversation that should've been had was missing. He took Matt (Pivarnik) and others down to Kansas City to see some of the sites and things that are going on in these neighborhoods and community centers. These are the types of things that he would like to envision in a Montara, or an Avondale East, or North Topeka. He agrees with Deputy Mayor Jensen, he is impressed with the technicalities of the proposal but he thinks that it did not give what we could really use for the community on where do we go next. What areas in the City or the County that have high populations of people needing to get to work, where are those places and can they put a map together that is easy for individuals to chew on. He doesn't think that there is a \$7 million need to do anything to address any digital divide in Hi-Crest or in Montara. Maybe that is only \$50,000, but we will never know. He comes here to talk about the digital divide but this report never really tells you if there is any digital divide whatsoever and where exactly that it is and if there is one at all.

Following a roll call vote, motion to table the request until the June, 2018 Special JEDO Board meeting carried unanimously (6-0).

Ms. Milsap stated she needed to request some direction. What does JEDO want to see from the Broadband Committee at the next meeting so that we are very targeted?

Commissioner Cook responded perhaps it would be easier for them to communicate with the JEDO Board members (voting and nonvoting) as to what concerns they may have and we might be able to flesh some of those things out. Keep in mind the rules governing Kansas Open Meeting Act (KOMA) so it might be best to have one-on-one discussions.

Deputy Mayor Jensen stated he would be happy to meet with her anytime to discuss.

Ms. Milsap replied she wants to state again that the consultants did exactly what we asked of them so if there is information lacking at this point then she accepts responsibility for that. And we all kind of accept that responsibility because we approved an RFP that outlined what was expected.

ITEM NO. 11: General Public Comment

The following individuals appeared to speak for general public comment:

1. Joseph Ledbetter appeared and stated one of the things that came up during a Momentum 2022 Quality of Place Committee meeting was we do have infrastructure under quality of place and we did put streets and roads, highway entries and exits, highway rebuilding, public parks and recreation system, traffic light coordination. But Park & Rec got into this and one of the things that he is hearing a lot of, not just on Momentum 2022, but also in the general public and the support for Parks & Rec is that people want Parks & Rec to be well supported and well funded. One of the things that came out of a Master Plan, it states to “create a balance of park types in each quadrant of the county” and then “identify and acquire land to preserve and enhance access to natural resources, open spaces, and outdoor recreation.” A discussion has come up recently about 155 acres that the Girl Scouts have now closed the camp. We have looked at it with the Advisory Council with Parks & Rec, it got a 9-1 vote asking the Commission and Parks & Rec Director to move forward on it and at least negotiation with the Girl Scout Council. And he wants to point out how anemic the park system is in that quadrant because in Quadrant 3 there is only 151,000 visits to parks in that area versus Quadrant 4 of 1.4 million. Now that does include Lake Shawnee and we certainly want to see Lake Shawnee to succeed but that quadrant is 400% below the next closest quadrant in park use because there is nothing to use in that area. So when you are looking at quality of place, people in this community want natural, open park space and we have an opportunity to buy it, it is not going to come around very often to get something of that size, that magnitude that adds that much quality of life and quality of place to a community. People want to do horseback riding in this County, there is no place to do it, but there is out there. They want to do more fishing, there is no place to fish in the part of the County. They want to use natural trails, that is a big item right now.
2. Clark Trammell appeared and stated he really came tonight to support two people. Lazone Grays and his position on broadband, and Joe Ledbetter and his recommendation on Camp Daisy. Lazone is absolutely correct in what he is saying and he hopes they will take that to heart and incorporate that into their process to get to the RFI. He would like to commend the folks from Tilson who are here tonight, he does not know them but he believe they did what JEDO hired them to do and they do not deserve any criticism for doing the job, but they do need to assist in bridging to get them to a point where they so clearly told them JEDO needed to be. As far as what Joe is talking about with Camp Daisy, that is quality of life and quality of place. And he mentioned to them earlier he thinks they need to step back and redefine what they mean by economic development. Because economic development is the generation of revenue, it is not just a creation of jobs, it isn't the growing of a business, it is the creation of revenue. There are places that do that. Camp Daisy would be a revenue creator; Jayhawk Theatre is a revenue creator, Heartland Park is a revenue creator. That is economic development and it needs to be included in that scope of what you look at when they are spending money dealing with GO Topeka. And creating a revenue base that takes the generations now coming forward that are looking for a place to live first and then get the job, rather than the older generation who got the job and then moved. So let's create these perks, the park downtown that is going to be a revenue generator, that is economic development redefined specifically in today's terms. The broadband

thing is extremely important. He just heard a number of investors get up here and talk about their product. Bring them to the table, get your checkbook out, let's talk. Those are the people that need to be at the table to have the discussion, where is the money going to come from, where is it we need to put it, how are we going to do it, is it going to go down the power lines or is it going to come underground. But get it done, the town is here, the money is here, the partners that want to sit at the table just told them they are here, Lazon Grays should be at the table. Let's do it, they are all ready, he can see it in their faces.

NO FURTHER BUSINESS appearing the meeting was adjourned at 9:06 p.m.