

**Joint Economic Development Organization Board Minutes
June 18, 2018**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Monday, June 18, 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 Shelly Buhler, 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 nonvoting JEDO Board members were present: City Councilmembers Karen Hiller, Sylvia Ortiz, Tony Emerson, and Aaron Mays.

The following nonvoting JEDO Board members were absent: City Councilmembers Sandra Clear and Jeff Coen.

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

Molly Howey, Senior VP of Economic Development for GO Topeka; Jim Crawl, Shawnee County Counselor; Jeff White, Principal, Columbia Capital Municipal Advisors; Barbara Stapleton, Director of Workforce and Education for GO Topeka; Carol Marple.

ITEM NO. 3: ACTION ITEM: Approval of Funding for Project Eagle.

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

Project Eagle is a new business that is looking to locate to a commodity export business in Shawnee County. Primary business is containerizing and exporting commodities and grains so they were also looking at facilities near the intermodal facility in Edgerton and we were able to intercept that to talk about what we could offer here. GO Topeka Board approved on June 1st.

Project Eagle Summary:

- Industry Type: Commodity Exporter
- Average Wage: \$60,000 annually
- Number of Jobs: 16 new jobs over 5 years
- Capital Investment: Up to \$5M

Incentive Proposal:

In the location of Project Eagle in Shawnee County, Kansas with an expected addition of 16 new full-time jobs with an average salary of \$60,000 plus benefits, GO Topeka proposes \$6,600 per new job to be paid out in equal installments (1/5 of each qualified job incentive = \$1,320 per year) annually over five years. GO Topeka also proposes an incentive of up to \$10,000 for real property investments by Project Eagle.

All proposed incentives are performance-based to be paid out as earned and details of the agreement will be outlined via a formal contract with the company.

Breakdown of proposed incentives:

- \$6,600 per new job X 16 new jobs = \$105,600
- \$2,000 per \$1M invested in real property = \$10,000
- TOTAL PROPOSED INCENTIVE: \$115,600

Commissioner Cook stated just for anybody who is watching not familiar with this process. The company goes through a meeting with GO Topeka, this would then be an action approved by the GO Topeka Board of Directors before it comes to JEDO, and then JEDO's action tonight is on this incentive and whether or not we approve, and then moving forward if the company decides to go forward with the plan, it would come back to JEDO.

Ms. Howey responded correct. The GO Topeka Board approved this incentive on June 1, 2018. So once the decision is made by JEDO tonight, she would communicate that back to the company and we would work to draft a contract that outlines all of the details and bring that contract back to the next JEDO meeting for their approval.

Commissioner Cook replied so this is not a guarantee that the company would go forward with this incentive, but this is our offer to them.

Ms. Howey stated correct. It is something that gives them some numbers to plug into their spreadsheet as they are comparing the costs of developing in different locations. The purpose of incentives is to help level the playing field, or but Topeka and Shawnee County above the rest and bring us to the top of the list.

Commissioner Archer asked if she could tell them what the nature of the business is.

Ms. Howey responded the company is containerizing and exporting commodities and grain materials from the region. So they will export to other countries that they already have relationships with, some of those are in Asia, some in Canada.

Councilwoman Hiller asked with that will they be using the airport?

Ms. Howey responded no they will actually containerize them here and then move them via container to the intermodal facility in Edgerton and then from there they will go on rail to port.

Councilman Lesser stated she said this was a new business, as in a start-up business.

Ms. Howey responded there is a business that already exists in Shawnee County and has existed for 15+ years, and this is an idea that is related to their current business and it is a new business with new owners that has originated from the current business. So the partnerships that they have are already established within the export relationship, but it is a new business to Shawnee County and a new business all together.

Mayor De La Isla moved to approve the funding for Project Eagle. Commissioner Buhler seconded. Following a roll call vote, motion carried unanimously (7-0).

ITEM NO. 4: ACTION ITEM: Approval of Land Sale for Project Arrow.

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

Ms. Howey stated that Project Arrow is a company that is currently located in the Topeka and Shawnee County area. They are looking at purchasing 17 acres in the Central Crossing Commerce Park, which is the commerce park where Home Depot and Bimbo and Target are located. They found that this site would be attractive for their business and be a better positioning of the type of business that they do. They are a brand that we would be proud to have in that park and would be in alignment with the rest of the uses there.

They are looking at 17 acres, just north of Home Depot, on the east side of Wenger Road. They currently have 33 full time employees, and they would retain those employees and build their new facility there. Right now we are talking about \$10,000 per acre, which is the appraisal price that we have acquired from previous appraisals of that land. The company has submitted a letter of interest and what she is requesting tonight is approval to move forward with negotiating that transaction. She also wanted to have a discussion around the proceeds from the sale. She would recommend we use the proceeds to further extend the utilities within Central Crossing and create more shovel ready land. Right now the sewer line ends on Wenger Road and it needs to go up and make the curve onto 49th Street where we are doing the new road. We also have gas line extensions that need to happen there as well. So if we were able to set aside these funds for future extensions of those utilities then that would help open up new land that is truly shovel ready for future prospects.

Commissioner Cook asked if this has already been approved by the GO Topeka Board of Directors.

Ms. Howey responded yes.

Commissioner Cook asked how did we achieve the \$10,000 per acre appraisal.

Ms. Howey responded yes it was appraised by a local appraiser.

Commissioner Cook asked when the last appraisal was done.

Ms. Howey responded she doesn't know the date of the formal appraisal but we did just check the valuation, had the appraiser verify that amount was still valid, and that was done last summer. They didn't do a full appraisal again, we just had them check to make sure the value was still the same and that it hadn't changed at all and they verified that it still is \$10,000.

Commissioner Cook replied so we are looking at a re-appraisal that is a year old. How do we know if that valuation has changed in the last 12 months. Is \$10,000 above market, below market.

Ms. Howey responded she believes that amount is pretty standard, maybe even a little aggressive for the area. We did make sure the appraiser knew about the 49th Street improvements and the substation there and so they took that into account when they looked at the appraisal price. 10 years ago when the original was done that was a different point in time. She is leaning on the expertise of those folks because that is what they do every day and they confirmed that \$10,000 was still accurate.

Commissioner Archer stated he would point out that an appraisal is typically only good for 6 months, so they may want to recheck that. What did we pay for the land back in the day.

Ms. Howey stated she would have to verify that. It was acquired back in 2007 or 2008.

Commissioner Archer stated he is thinking we paid \$4,000-\$5,000 an acre but it would be nice to know what we paid for it.

Deputy Mayor Jensen asked if we have any idea on how much the extensions for the utilities will cost?

Ms. Howey responded we have done just some rough estimates and we are looking at probably for both utilities, the gas and sewer, she would hate to throw out an inaccurate number. The sale of this land will not cover the whole amount. It would get us maybe a third of the way.

Commissioner Archer moved to approve the request for sale of land for Project Arrow. Deputy Mayor Jensen seconded. Following a roll call vote, motion carried unanimously (7-0).

ITEM NO. 5: ACTION ITEM: East Topeka Learning Center (ETLC) Project, New Markets Tax Credits

Commissioner Cook stated before we get started, this item contains Item 5a through Item 5j. Looking to counsel, do we need to approve each item individually or can we approve them in whole.

Jim Crowl, Shawnee County Counselor responded he thinks they could do it either way, but he would advise to approve them individually.

Jeff White, Principal, Columbia Capital Municipal Advisors presented the item to the Board. This item tonight is the JEDO portion of the New Markets Tax Credits (“NMTC”) transaction for the benefit of the East Topeka Learning Center project. JEDO is being asked to perform a specific function in this transaction along with a new non-profit that will be the borrower in the transaction, and GO Topeka who will be the sponsor of the transaction. So everybody has their part to play. Mayor De La Isla asked for pictures last time, so he has brought pictures. But to give them a quick refresher:

NMTC PROGRAM OVERVIEW

- ▶ Federal income tax credit program intended to spur development in “low income communities” or LICs
 - ▶ Primary definition of LIC is geographic
- ▶ Tax credit is portable—can be sold to third party
- ▶ Tax credit equal to 39% of basis (in NMTC lingo, the Qualified Equity Investment or QEI)
- ▶ Tax credits earned over a seven-year compliance period
- ▶ Broad range of permitted uses (except “sin” businesses)

MATCHING TAX CREDITS TO PROJECTS

- ▶ Congress appropriates project authority (allocation)
- ▶ US Treasury Department distributes allocation to intermediaries called Community Development Entities (CDEs) via a competitive application process
- ▶ CDEs make investments in qualified projects
 - ▶ CDEs have defined geographic ranges and missions
 - ▶ CDEs looking for projects with strong “community benefits”
- ▶ Tax credits purchased by investors looking for return solely from the tax credit equity (not project cashflows)

THE PARTIES

▶ Investors

- ▶ These are the entities—often commercial banks—that purchase the tax credits, providing the purchase price at closing. Current market=\$0.78 to \$0.83 per dollar of gross tax credits generated. Banks are sometimes motivated to by Community Reinvestment Act needs.

▶ Sponsors

- ▶ The local government or affiliate desiring new or improved facilities.

▶ Community Development Entities (CDEs)

- ▶ These are the organizations that exist primarily for the purpose of matching NMTC equity to projects in need. CDEs apply competitively for NMTC allocation through the US Treasury Department. Each CDE has a range of preferred activities/ investment foci and a defined geographic area of operation (which can be national). CDEs make Qualified Low Income Community Investments (QLICs).

▶ Qualified Active Low-Income Community Businesses (QALICBs)

- ▶ These are the entities that benefit from NMTCs, the borrowers at the bottom of the structure. QALICBs deploy the QLICI loans for qualified purposes. QALICBs have to meet specific rules to remain QALICBs during the seven-year compliance period, such as the non-qualified financial property (NQFP) rules.

▶ Leverage Lenders

- ▶ Although not technically required, almost always used to boost the availability of tax credits to a project. The leverage lender makes a loan to the investment fund in an amount equal to the QEI less the tax credit equity.

ETLC Project – Putting it Together Step 1



▶ Investors

- ▶ PNC Bank purchases the tax credit equity for 90 cents on the dollar and invests the purchase price in the investment fund

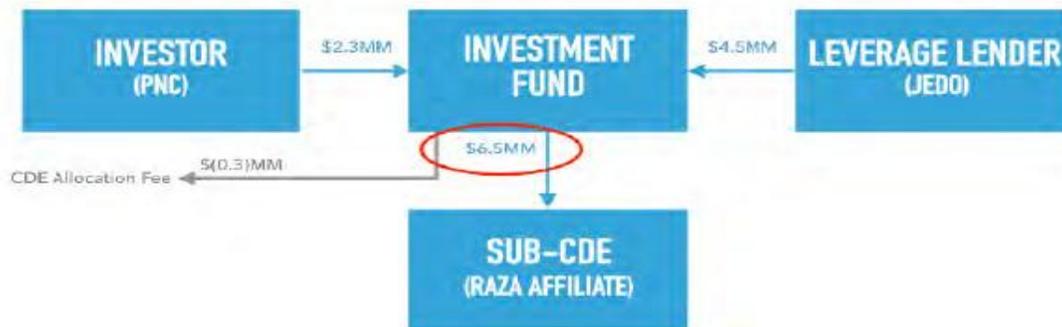
▶ Investment Fund

- ▶ Investment Fund is a special purpose entity owned by the investor and created for this transaction

▶ Leverage Lender

- ▶ The Leverage Lender completes the capital stack by making a loan to the investment fund. This loan is documented like a commercial loan (loan agreement, promissory note).
- ▶ The funding happens concurrently at the beginning of the closing process

ETLC Project – Putting it Together Step 2



▶ Subsidiary Community Development Entity (Sub-CDE)

- ▶ The Sub-CDE is created by the CDE, Raza Development Fund, specifically for this project. The CDE received an award of tax credit allocation from the US Department of Treasury and chose to invest in our project.

▶ Investment Fund

- ▶ Makes a Qualified Equity Investment (QEI; the \$6.5MM circled in red) in the sub-CDE
- ▶ The QEI is the tax credit *basis*—the amount investment on which the investor derives its tax credits.

Mayor De La Isla stated in layman's terms for the folks at home, and also 90% for her brain, why is it so complicated to create so many legal entities that have to make the passing to the passing to the passing in order for them to get the NMTC.

Mr. White responded this program is the absolute worst combination of the normal accountability process you get with a federal grant, combined with all of the weirdness of federal tax law, combined with everything that is bad about commercial lending and real estate transactions, coupled with the idea that this looks like free money falling from the sky and anything this complicated ends up with a number of lawyers and consultants that have specialized expertise to put these together and they are very expensive. It is very complicated and kind of driven by tax law structure. So even though the program has been around for a long time, we have regulations, they are fairly unclear, there have not been any tax law rulings about these, so even today 17 years into this program, you have lawyers who disagree about fundamental structuring parts of the conversation and that can create challenges as you look to put these together. It is a really inefficient subsidy, which is too bad.

Commissioner Archer stated he shares the Mayor's concerns, but he doesn't think there is going to be a quiz later, correct?

Commissioner Cook stated though a few meetings ago Commissioner Archer had concerns as to how much was being lost to the fees. Whether it is to the investment, the consultant, or the attorney or the accountant, we do lose quite a bit in our fee structure which is money that could've been applied to the project.

Deputy Mayor Jensen asked does this thing cost more money to operate than we are actually going to get.

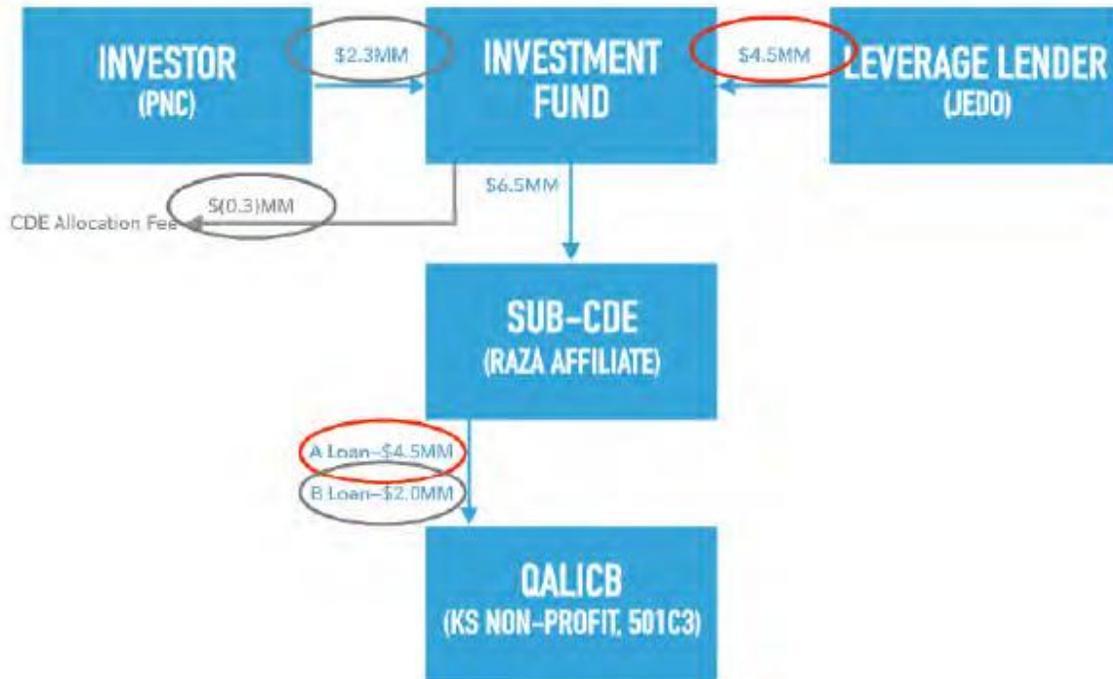
Mr. White replied no. The net benefit of doing all this is that \$1.25 million hopefully will come into the project in the form of other people's money, instead of that having to be paid with sales tax money.

Deputy Mayor Jensen stated so starting with \$6.5 million, we get \$1.2 million?

Commissioner Cook stated no, \$6.5 million is the total amount of the aggregate of what JEDO has put forth as well as the NMTC.

Mr. White stated the NMTC starts at \$2.3 million gross that is paid in, and then by the times that the 7 years runs and we have paid all the lawyers and accountants and consultants and the title company, and he is missing 50 other people, the net would be roughly \$1 million. The important part of this is that about 20% of this project's cost is coming from outside the community.

ETLC Project – Putting it Together Step 3



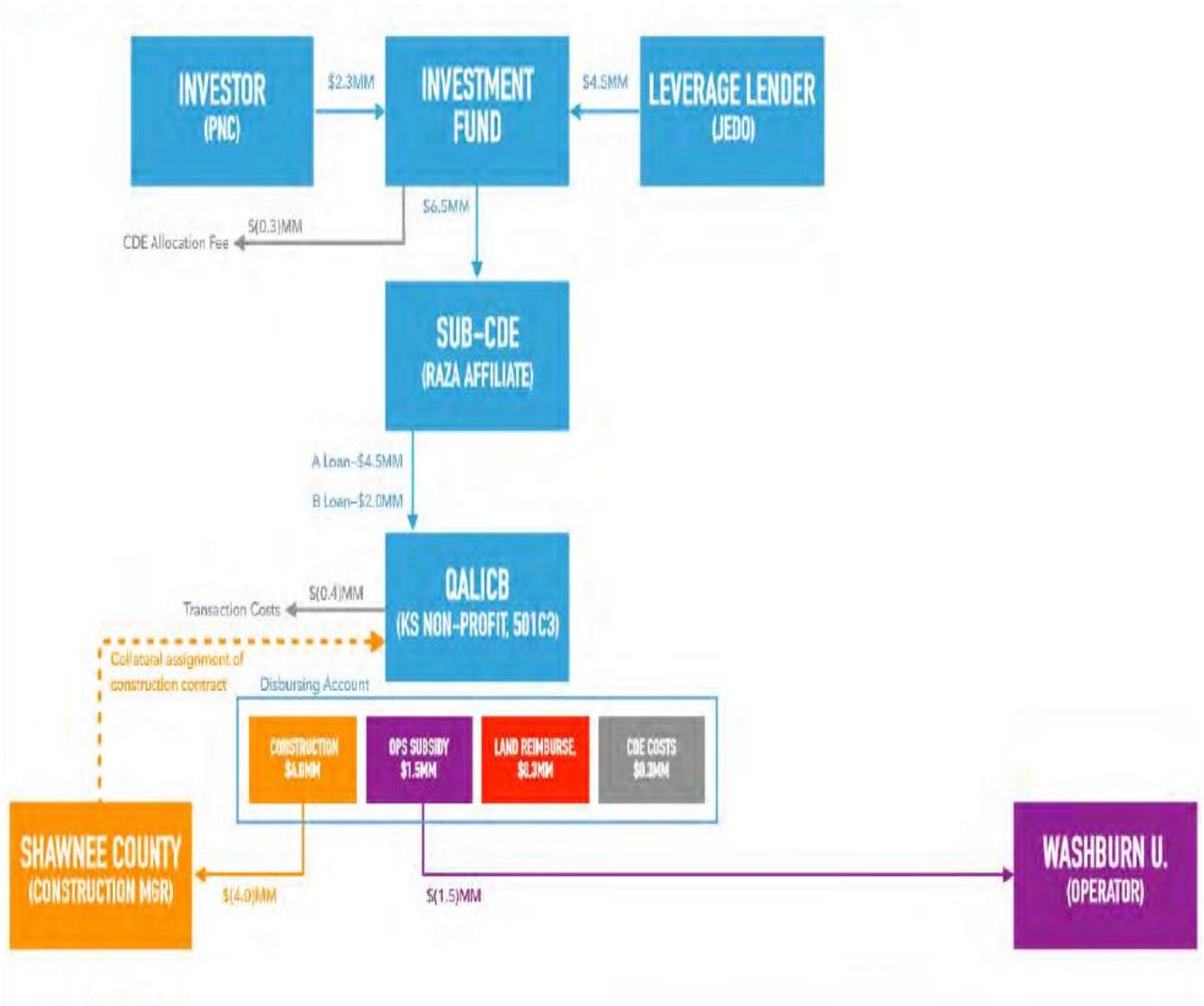
▶ Sub-CDE

- ▶ Makes two Qualified Low-Income Community Investment (QLICI) loans in the QALICB

▶ Qualified Active Low Income Community Business (QALICB)

- ▶ The QALICB is the borrower in an NMTC transaction
- ▶ New non-profit created for this project; will include a permanent JEDO rep on its board

ETLC Project – Putting it Together Step 4



▶ QALICB

- ▶ At closing, will have 100% of the funds necessary to complete the project, including reimbursing GO Topeka for prior-incurred costs (land acquisition, construction in progress, etc.)

Commissioner Cook asked can we go back to talk about the designee would be the JEDO Chair. So the Chair would be reporting back to JEDO as a whole as part of their responsibility as to what is happening with the NMTC.

Mr. White stated the Borrower's Board will probably have a couple of meetings in the first 6-8 months as the construction finishes up and we get into the NMTC phase. His experience with his other clients with similar structures is by the 2nd year, they are meeting once a year just to get an update and JEDO is going to hear from GO Topeka staff as well as the project progresses.

Commissioner Cook asked with the construction coming through Shawnee County, does that affect any of this?

Mr. White responded indirectly. We will have one more step in the ultimate payment process for construction because our NMTC lender will get a sign off step on the approvals but that really will work out in a reimbursement way so the County is funding those payments and then submitting those for reimbursements. Those reimbursements will have one more quick step where they are reviewing that same documentation.

Commissioner Archer stated the reporting of results is a formality as far as this program goes.

Mr. White replied it is a contractual responsibility. He wouldn't call it results, he would call it outputs, if you want to distinguish between outputs and outcomes, it is how many people went through, how may got degrees, what communities did they come from zip code wise, things like that. JEDO will have the harder determination as to whether that effort has actually improved the community, and job opportunities and those kinds of things. But he thinks the tracking of the outputs is something they would want anyways.

Commissioner Archer stated he thinks it is important, but his point is those results wouldn't jeopardize the NMTC.

Mr. White responded no, we have an obligation to report the outputs, we do not have an obligation to meet anything, we haven't said we will absolutely have 400 students, or set those kinds of expectational goals.

Item 5a: JEDO Resolution 2018-2: A Resolution Authorizing the ETLC and the Use of New Markets Tax Credits on the Project.

Mr. Crowl stated simply put this is the enabling resolution which enables this program to go forward, it outlines the basic outline of the program. He wants to note the very last paragraph authorizes the JEDO Chair, if there are any documents that require a signature from the Chair prior to closing, they are authorizing the Chair to sign those documents, to allow the transaction to be completed. We believe we have the bulk of the main documents here that would need to be executed. But if there are more the Chair will be authorized and JEDO will not have to call another meeting just for those documents to be signed.

Deputy Mayor Jensen made a motion to approve JEDO Resolution 2018-2. Mayor De La Isla seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5b: Deed – Kansas Warranty (Statutory) from JEDO to GO Topeka ETLC Support Corporation

Mr. Crowl stated this is the Deed, JEDO owns the property that the project is located on, this would transfer the property to the new GO Topeka ETLC Support Corporation, the non-profit corporation that Mr. White described, as part of the project.

Commissioner Archer made a motion to approve the Deed. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5c: Commitment for Title Insurance

Mr. Crowl stated this is, if you have ever bought or sold property, there is title insurance on this transaction and they are asking JEDO as the owner to sign the commitment for title insurance for the transaction.

Deputy Mayor Jensen made a motion to approve the Commitment for Title Insurance. Mayor De La Isla seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5d: JEDO Contract C2018-1: Termination Agreement By and Among JEDO, GO Topeka and Washburn University (Termination of JEDO Contract No. C2017-3)

Mr. Crowl stated this is the contract terminating the prior three-party contract that Mr. White mentioned with Washburn, JEDO, and GO Topeka. It will now be a two-party contract between Washburn and the new corporate entity for educational services.

Commissioner Cook asked if we have any indication that would not be signed by Washburn University?

Mr. Crowl responded it is his understanding that legal counsel for Washburn University has approved the form for this agreement. And so it is ready to move forward.

Mayor De La Isla made a motion to approve JEDO Contract C2018-1. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5e: JEDO Contract C2018-2: Option Agreement between JEDO and PNC New Markets Investment Partners, LLC

Mr. Crowl stated his understanding is this is the document when the transaction is completed after 7 years, this is the document that allows the transaction to collapse, and puts the property back under JEDO control.

Commissioner Buhler made a motion to approve JEDO Contract C2018-2. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Councilmember Ortiz asked who insures all of this while all of this is going on. And the reason she asks is she was at an NIA meeting and in the minutes she said there was some equipment stolen. With all this transaction going on she is hoping we are insured somewhere.

Mr. White stated that Washburn will be required to secure property and casualty insurance for the property and he understands that the contractor had some tools stolen unfortunately.

Item 5f: JEDO Contract C2018-3: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions.

Mr. Crowl stated this document is JEDO's certification that JEDO as an entity has not been barred from participating in Federal programs. If you will note, from time to time, contractors will get in trouble with the Federal government and as part of the punishment for violating the rules of participating in Federal government programs they can actually be debarred or prohibited from participating further. This is our certification to the other parties in the transaction that we have not been debarred.

Mayor De La Isla made a motion to approve JEDO Contract C2018-3. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5g: JEDO Contract C2018-4: Forbearance Agreement (Leverage Loan)

Mr. Crowl stated this is just one of the loan documents for the transaction for the loan that we are making.

Deputy Mayor Jensen made a motion to approve JEDO Contract C2018-4. Mayor De La Isla seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5h: JEDO Contract C2018-5: Loan and Security Agreement (Leverage Loan)

Mr. Crowl stated this is another loan document for the transaction.

Commissioner Archer made a motion to approve JEDO Contract C2018-5. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5i: JEDO Contract C2018-6: Promissory Note (Leverage Loan)

Mr. Crowl stated this is the promissory note for the transaction. Everyone who has taken out loans or have purchased property will know there is a loan and there is a note, and this one is no different.

Deputy Mayor Jensen made a motion to approve JEDO Contract C2018-6. Mayor De La Isla seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5j: JEDO Contract C2018-7: Reimbursement and Compliance Agreement

Mr. Crowl stated his best explanation for this one is, we are familiar with how funds flow between JEDO and GO Topeka because we work with that every quarter in our meetings, but to outside parties it may be a little confusing as to who JEDO is and who GO Topeka is and where does the money come from and where does it go. This document outlines the flow funds between the two entities.

Mayor De La Isla made a motion to approve JEDO Contract C2018-7. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Commissioner Archer stated he was kidding about the quiz but Mr. White seems to be really the only person that is thoroughly familiar with this process but he wanted to ask the County Counselor if he is confident in this and if there are any misgivings on his part as far as JEDO moving forward with this agreement.

Mr. Crowl responded that Mr. White and he discussed a little bit ago that this is sort of a leap of faith, but he has met with Mr. White several times, we have a weekly conference call where we go through the list of the outstanding documents and all parties have an opportunity to discuss the transaction, open questions on how this is going to work, so he has had an opportunity to sit in and watch it evolve to the point we are at now. He is comfortable in recommending, if JEDO is going to take this route, then these are the documents that we need to execute to make it happen.

Councilman Lesser stated he wanted to at this point in time responding to Councilwoman Ortiz' question. He can tell her that Champion Builders does carry a builder's risk on the policy which covers all the materials as well as the new construction of the project, as well as there is a policy in force on the existing structure in the event there was a fire or tornado. So yes there is adequate coverage in place. The only other thing he would want to bring to the Chair's attention is Councilman Lesser's company had written the insurance prior to him being elected, if he feels that it is in the best interest then he would abstain from any of the votes. He felt he did need to bring it to their attention.

Commissioner Cook stated he doesn't see any direct conflicts.

Mr. Crowl stated the issue has been disclosed, he doesn't see any reason for Councilman Lesser to recuse himself from this process.

Councilwoman Hiller stated she doesn't know how many people are on various Facebook feeds but it has really been fun to see the progress reports of the actual construction of the building and the excitement of the East Topeka Council, they have been meeting regularly. The goal of getting this whole project involved was to have a presence in East Topeka and to engage folks in East Topeka in the planning and the development of this and then to see it happen on a day to day basis, that really has been going well.

Barbara Stapleton, Director of Workforce and Education for GO Topeka stated that the construction project is going very well and she would challenge all of them to drive by on SE 21st Street, between Washington and Indiana Avenues, they will see that much of the demolition is complete. It does not look the same. Washburn Tech has their trailer that is out there right out front in terms of promoting it. Percentages related to completion, she doesn't have the most recent reports for this week as we are in the middle of the week but they had a meeting earlier today and things are moving forward. They were talking about the outer shell that will go on, they are putting that primer on and starting that. Still on target and still under budget.

Councilwoman Ortiz stated she drives by there almost every day since it is on her way home. Why are we keeping the tower?

Ms. Stapleton responded there is going to be intent for signage, and to have lights.

Commissioner Buhler states it is a great project and a great thing for East Topeka. She would like to thank the Shawnee County Counselor's Office, she knows this has been a huge additional amount of work for them and she appreciates that and thank you to Mr. White as well for his explanations.

Ms. Stapleton stated another thing she would add is that she has confirmed with Mr. White that he is with us for the long term. If anyone ever has questions we can reach out to him, he will not drop off after the transaction closes.

Commissioner Cook asked when we have our next JEDO meeting, if we could put on the agenda a report from Washburn on how the recruiting is going. We are looking at a building that is going to have its door open at the end of this year, with programming starting in January of 2019. So maybe some updates from Washburn University as to how their recruiting is going, it is exciting for East Topeka and Topeka in general.

ITEM NO. 6: DISCUSSION WITH POSSIBLE ACTION. Community Broadband Task Force.

Barbara Stapleton, Director of Workforce and Education for GO Topeka and Deputy Mayor Brenden Jensen presented the item to the Board.

Ms. Stapleton stated GO Topeka continues to be very supportive of the broadband initiative and recognizes that economic development, entrepreneurship, and workforce development all directly align with broadband efforts. We believe it is very important as part of the strategy moving forward in the community and ultimately the inclusive prosperity we are seeking for our community.

Deputy Mayor Jensen stated he knows it is unusual for someone on the JEDO Board to be giving the report but he felt it was critical to come to them as a colleague and share his experience. As many of them know he was rather hard on the Broadband Task Force at the last meeting, it was not going in the direction he felt it needed to and so he voiced his opinion and later that even talked with Gina Milsap (CEO, Topeka and Shawnee County Public Library) a little bit and she encouraged him to come and meet with her and the Tilson folks the next day while they were still in town. And they met with him for two hours, carved out their schedules and sat down and really went through an in depth review of where they had been, where they thought they were going, talking to him about the issues he thought JEDO had. And so he really wants to start off this report by thanking them for being available and saying if we aren't happy, let's work together to see what we can do to solve this problem. When he sat down and talked with the Tilson consultants, he never once have heard the phrase "that is out of scope." We have changed the direction in a number of ways. And every single time when we came back to them to see we think we should do it differently, they said that's a good idea. They pushed back in a couple of areas, which is

entirely required, but at the end of the day, he thinks what we have is really moving in a great direction. Right out of the gate we talked about the immediate need of private sector input to try and make sure we were leveraging the resources our community already has and the investment that the private sector has put in. He reached out to a number of the incumbents right away, just some one-on-one meetings to get a feel for their frustrations with the process and where they thought we needed to be going and how we can better work together. So he took that back to the team and essentially what we decided is that we do need a bit of a shift in focus. So what we are doing now, we are having a Broadband Summit. We have got 5 meetings scheduled now with incumbent providers and other folks that are interested in bringing infrastructure to our community. The meetings are scheduled for the end of June. We are looking at how we can really leverage shot in the arm type of incentives. So basically one hit that will get something moving along as opposed to a reoccurring subsidy that will have to get paid again and again. So we are talking about how we can take an existing schedule that might already be there and accelerate it. We want to get this stuff into the hands of our community faster.

This has really coalesced into two main areas. When we talk about the areas of our community that don't have good access to coverage, and for the most part that is going to fall into many areas of the County where they simply can't get good, high quality, stable, reliable broadband. The other part of this though is access to affordable service to parts of the community where we do have the coverage, where folks either can't afford it, or there are locations for whatever reason they are not getting it. So at the end of the day we are trying to solve these two problems. So to help us do that we are developing a set of community goals that are based in part on the FCC's goals for communities, but we are trying to tailor those more to what our community's needs and wants are, and that is going to give us really two sets of numbers. What numbers, what speeds, what capacities can we deliver in rural Shawnee County versus what can we deliver within the City limits where there is the density of infrastructure. So our next phase in this is to go to the RFI (Request for Information) process. We are meeting with the local incumbents just to sort out what are they capable of doing. The last thing we want to do is kick out and RFP several months down the road that is asking vendors to accomplish impossible fetes. That is not going to help us move the needle if we say we want them to deliver something there is no way they could actually build. We would not be successful with that. So these meetings with the local incumbents are going to help us create realistic goals for the community and we are hoping to come up with some rough costs on that. What is it really going to take to move the needle, how much will that cost, and are there other barriers that are not financially related. Is it simply something that they need access to a certain amount of right-of-way to lay fiber to set up a tower for Wi-Fi. So we are trying to sort out exactly what incentives are appropriate. Then we will take all of that information, pack it up into an RFI and kick it out and that will cast a substantially wider net. So the goal is to reach out to anybody and everybody who wants to participate and ask them to provide some feedback. That feedback then will be the driver in our conversation as to what JEDO feels financial or other incentives should be and then whether or not we are ready to go out to RFP and actually ask people to deliver that. He is trying to sort of align the scheduling of all this with Momentum 2022, so that if we do an RFP process we would expect that to be sometime early next year (2019) and that would give us that year to get the RFP out, get responses back in, and that would give them 2020 and 2021 to build infrastructure, and then as our community comes online in 2022 with all these exciting amenities and all the other things that are coming along, this would be part of that.

Commissioner Cook stated to make sure we are on track, when Tilson was last here they gave us a report that outlined that the cost of JEDO taking on broadband by ourselves is simply unattainable. And the RFI would be an opportunity to partner with all our providers or potential providers for them to come to JEDO and give us an outline of what services they could provide and what their needs would be. And then from there we would develop a plan of action.

Deputy Mayor Jensen responded the next step would be to talk about whether or not JEDO can afford what we think would need to be done in order to move the needle. Part of the reason we are sitting down with all the incumbent carriers is to have that brainstorming session. The Tilson folks are coming back in town to have those meetings with us and it is very much going to be a team effort to sit down and brainstorm how do we affect change in the community. And then from there, the RFI process is taking that concept but casting a wider net, bringing that to all the folks that want to participate, including the ones who are in the area or who we simply couldn't schedule meetings with.

Commissioner Cook stated they have identified two needs. One was advancing infrastructure to the rural communities or areas that do not have it, and the second is expanding broadband usage to those areas that do have it. Through the RFI he can understand how we would expand service to areas that don't have it, but how does the RFI address the second part which is enabling service to those that maybe already have the service.

Deputy Mayor Jensen replied part of what we need to discover is why isn't there good uptake in that. Is it simply that there are no dollars for marketing, in some cases if you have had an outstanding bill with one of the carriers for a certain period of time you are not allowed to buy that coverage until that bill is paid off or a certain period of time elapses. So as we ask the questions to the carriers who provide those services, they have to tell us why the program they have in place isn't working. What are their barriers and one of the things is to ask the school systems. As the carriers advertise these to the parents of families, what are the barriers causing them not to sign up for that service. And the other part of that is there a different option to provide access to low-income areas, and areas that don't have good access to service beyond just the existing programs.

Commissioner Cook stated that Mr. Lazone Grays recently shared a very good article about how there is a lack of broadband that is actually being used in areas that do have access to broadband. He would like to thank Mr. Grays for providing that article.

Deputy Mayor Jensen stated he and Mr. Grays have sat down and talked at length about that issue. Mr. Grays has been instrumental in helping us look at that aspect.

Councilwoman Hiller stated on the City Council, they are on a variety of listserves and so there are many articles and conferences addressing this. Do we have anyone on City staff or on the Board who is watching those as they come in? This is really cutting edge development and other communities are looking at this like we are.

Deputy Mayor Jensen responded for the most part he does because that is the industry in which he is employed. And that is part of what we are leaning on the consultants for is to take a look at emerging technologies and evaluate if it is a good idea for our community or not.

Commissioner Cook questioned did the committee factor in, this year's Chamber meeting is to Chattanooga, Tennessee. Chattanooga has a great history with expanding broadband and expanding network coverage. They also have had a lot of successes, some failures along the way. Has that been factored in.

Deputy Mayor Jensen stated he is particularly excited to travel there to talk with their people and see what their successes were, what their failures were, and how we can learn from that.

Commissioner Archer stated he wants to say thank you to Deputy Mayor Jensen. It pretty much sounds like he is taking over this project and making it happen.

Deputy Mayor Jensen responded he wouldn't go that far. He has an incredible team who has been willing to take him in. This is very much a team effort.

Commissioner Archer replied but because of Deputy Mayor Jensen's expertise things are moving forward and again it is a lot of work.

Commissioner Cook stated he would like to take a moment and recognize Commissioner Buhler, Mayor Wolgast, Gina Milsap. They have been working on this project for almost five years, broadband is a five year project and to get it to this point, so we would be remiss if we did not thank Commissioner Buhler, who early on as a Commissioner coming to community meetings to discuss broadband as she took up that mantle.

Commissioner Buhler stated she would like to point out that the Project Team is the designee from JEDO, so it is her understanding we have a representative from the County, from the City IT staff who is now no longer on the committee, a representative from the Library, from one of our rural school districts, and also GO Topeka. So if it is the intention of Deputy Mayor Jensen to be the City's representative on that project team, she still thinks there is a benefit to having that Project Team remain as the designee for JEDO because we do have broad representation from all parties.

Deputy Mayor Jensen responded the committee has discussed that and it is not appropriate for him to take on that role because once we get to the RFP process he will need to step back. As a voting JEDO member that is a conflict of interest. However, he has had extensive conversations with the City Manager and he has agreed to get someone from the City back on the committee at that time. So there will be representation from the City once we get into that phase.

Commissioner Buhler stated she thinks that is important and it is unfortunate that we don't have representation from the City IT Department.

Deputy Mayor Jensen stated the committee has two asks this evening. We would like permission to move on with the RFI process and actually issue that. Our next update would then be to bring back the information we got from the RFI as well as an explanation of that so that we can then really have the conversation about what incentives do we want to do, and it is going to be a dollar amount and it is also going to be looking at if there are barriers we will need to tear down as the local government. We would also be interested in having a couple of folks who would be willing to look over the actual RFI before it is sent out and provide comments and feedback. One of the most important things is to make sure that JEDO's questions are answered when that information comes back in.

Mayor De La Isla moved to authorize continued outreach to broadband service providers, including interviews and development of a Request for Information (RFI) to collect provider on potential solutions to meet the broadband goals of the City of Topeka and Shawnee County. Councilman Padilla seconded. Following a vote, motion carried unanimously (7-0).

Commissioner Cook stated as to designating JEDO members to review a draft RFI, he thinks it is important to have representation from both the City and the County as we move forward. He asked if Deputy Mayor Jensen would be willing to serve in that capacity.

Deputy Mayor Jensen responded he would.

Commissioner Cook also asked if Commissioner Buhler would be willing to serve in that capacity since she has had the most experience with this item.

Commissioner Buhler responded she would.

Commissioner Cook moved to designate Deputy Mayor Jensen and Commissioner Buhler as the JEDO members to review a draft RFI and provide feedback to the Project Team prior to the September JEDO board meeting. Mayor De La Isla seconded. Following a vote, motion carried unanimously (7-0).

ITEM NO. 8: General Public Comment

The following individuals appeared to speak for general public comment:

1. Carol Marple stated she wants to give a big shout out to GO Topeka on Project Arrow. She would like to think that the improvements that are being done on 49th Street have played a part in the company's decision to want to build on the land. If GO Topeka is directly negotiating with the company for the land, we will be getting back a little more money because we won't be paying a realtor. She sees this as a tremendous win-win that somebody wants to build on this land, we are going to have new construction and a new business.

Councilwoman Ortiz stated she wanted to bring something to the Board. She took her grandchildren to Wamego and all the way down there she kept seeing Wizard of Oz signage so it got you excited before you got there. She was recently having lunch with a friend and they were talking about the Wanamaker Corridor. As she was leaving her house the other day to say farewell to the sea lions at the Topeka Zoo she looked at all the out of state cars that come through I-70. A friend of hers used to work at Best Buy and he said people don't know about what is on Wanamaker. She doesn't think the mall has done a great job at selling that and maybe JEDO should get involved. And maybe we should buy some billboards that would pay for themselves. From Manhattan to Topeka, from Kansas City to Topeka, how many people pass through and don't know. They know you can get off and get gas but there are all those extra things that we need to sell that and she would like to see us do that. When she is traveling she wants to get out and walk, get out and shop, get out and see what is out there and just coming through doesn't do us any justice at all.

Commissioner Cook stated he thinks those are some good comments, he also thinks Mr. Oetting with Visit Topeka has weighed in a lot. They do a lot of advertising. He knows he can't hardly watch TV without seeing about Topeka. It gives an exciting look about Topeka.

Councilwoman Ortiz stated it doesn't talk about Wanamaker, it talks about our functions but it doesn't talk about the corridor.

Mayor De La Isla would like to welcome back to Jackie Steele from GO Topeka.

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:09 p.m.