

**Joint Economic Development Organization Board Minutes
September 11, 2019**

City Council Chambers, 214 SE 8th Street, Topeka, Kansas, Wednesday, September 11, 2019.

The Joint Economic Development Organization (JEDO) Board Members met at 6:00 p.m. with the following voting Board Members present: Deputy Mayor Sandra Clear and Councilmembers Tony Emerson and Michael Lesser and Shawnee County Commissioners Bill Riphahn, Kevin Cook and Bob Archer -6. City of Topeka Mayor Michelle De La Isla presided -1.

Nonvoting Board Members Present: Councilmembers Hiller, Padilla, Jensen, Mays and Coen.
Absent: Councilmember Ortiz.

Mayor De La Isla asked for a moment of silent meditation to remember the victims of September 1, 2001.

APPROVAL of Minutes from the meeting of May 8, 2019, was presented.

Councilmember Lesser moved to approve the Minutes of May 8, 2019. The motion seconded by Commissioner Cook carried unanimously. (7-0-0)

APPROVAL of JEDO 2018 Independent Auditor's Report was presented.

Jessica Lamendola, City of Topeka Administrative & Financial Services Director, gave a brief overview of the 2018 fiscal audit which includes the Independent Auditor's Report:

- Governmental Fund Balance Sheet and Statement of Net Position
- Governmental Fund Revenues
- Expenditures and Changes in Fund Balance and Statement of Activities
- Notes to the Basic Financial Statements
- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

Deputy Mayor Clear asked for clarification of the required supplementary information and omitted information described in the Independent Auditor's Report.

Brenda Flanagan, Summers, Spencer & Company, P.A., reported it was their opinion, the required supplementary information was not necessary to fairly present financial statement information for the JEDO Board. She stated the audit was conducted with generally-accepted and government auditing standards and was not conducted to express opinion on internal control. She noted no material weaknesses were reported during the audit.

Councilmember Hiller commended GO Topeka on their 2018 Independent Auditor's Report and noted that 2018 was the first fiscal year of transition and changes in accounting for the Greater Topeka Partnership organization. She expressed her appreciation to staff for their hard work.

Commissioner Cook moved to approve the 2018 Independent Auditor's Report. The motion seconded by Deputy Mayor Clear carried unanimously. (7-0-0)

APPROVAL of Project Purple (Advisors Excel) Incentive Agreement was presented.

Barbara Stapleton, GO Topeka Business Retention and Talent Initiatives Vice President, reported the JEDO Board approved incentive funding in the amount of \$1,490,000 for Project Purple at the May 8, 2019, meeting. She announced Advisors Excel as the company and listed the requested incentives included in the agreement:

- \$9 million Capital Investment
- 220 new jobs with an annual average wage of \$52,000 over five (5) years
- \$1,490,000 for employment, training and investment incentives

David Callanan, Advisors Excel, thanked the JEDO Board for their support and commitment that allows the business to continue to grow and attract talent from other areas. He reported Advisors Excel was the largest insurance distribution company and 2nd fastest growing Registered Investment Advisor in the country. He also noted Advisors Excel has been certified as one of the best places to work in 2018 and just announced for 2019. He stated many of their employees are from Topeka and the surrounding areas. He commented on the Gage Center renovation project and making Topeka the best community it can be.

Deputy Mayor Clear thanked Advisors Excel for being a community partner and supporting local organizations.

Councilmember Padilla stated he concurs with Deputy Mayor Clear and noted corporate citizens are an integral part of a community to make it successful.

Mayor De La Isla thanked Advisors Excel for being excellent stewards in the Topeka community.

Deputy Mayor Clear moved to approve the Project Purple (Advisors Excel) Incentive Agreement. The motion seconded by Councilmember Lesser carried unanimously. (7-0-0)

APPROVAL of Project Lightning Incentive Funding in the amount of \$1,870,000 was presented.

Molly Howey, GO Topeka Senior Vice President of Economic Development, summarized the project and listed the requested incentive package and overview:

- 300 new jobs - \$34,000 average wage + benefits
- 1.8 million square feet
- \$235 million investment
- 236 acres at Kanza Fire Commerce Park
- \$631 million economic impact over 10 years
- 74% Return On Investment
- Training grant of \$500/employee with a maximum of \$150,000
- Employment Incentive of \$3,000/employee with a maximum of \$900,000

- Investment Incentive of \$2,000/million in real property with a maximum of \$300,000
- Infrastructure Incentive of \$100,000 maximum for utility extensions

Commissioner Archer moved to approve Project Lightning Incentive Funding in the amount of \$1,870,000. The motion seconded by Councilmember Emerson carried unanimously. (7-0-0)

APPROVAL of Project Cay Incentive Funding in the amount of \$25,000 was presented.

Barbara Stapleton, GO Topeka Business Retention and Talent Initiatives Vice President, summarized the project and listed the following requested performance-based incentive package:

- 4 new full-time jobs over five (5) years with salary ranges depending on experience between \$30,000 and \$80,000 plus benefits
- Up to \$8,000 per new job proportionate to salary and in alignment with guidelines to be paid out in equal installments (1/5 of each qualified job incentive – eg. \$600 to \$1,600 per year) annually over five (5) years and not to exceed \$16,000 in aggregate
- Training Incentive of \$1,000 per new employee
- Capital Investment of \$1.1 million for building purchase, improvement expenditures and equipment purchases

Commissioner Archer moved to approve Project Cay Incentive Funding in the amount of \$25,000. The motion seconded by Councilmember Lesser carried unanimously. (7-0-0)

APPROVAL of the reallocation of Mars incentive funds originally allocated for construction of a fire house and authorizing JEDO Chair to execute amendment to original agreement dated July 27, 2011, was presented.

Mayor De La Isla stated the City was requesting to defer action until further discussion on the proposal occurs.

Commissioner Archer moved to defer the reallocation of Mars incentive funds originally allocated for construction of a fire house and authorizing the JEDO Chair to execute an amendment to the original agreement dated July 27, 2011. The motion was seconded by Commissioner Cook.

Deputy Mayor Clear asked if there was a date specific for the item to be considered by the JEDO Board.

Mayor De La Isla stated a date will be determined once discussions have taken place.

The motion to defer the reallocation of Mars incentive funds originally allocated for construction of a fire house and authorizing the JEDO Chair to execute an amendment to the original agreement dated July 27, 2011 carried unanimously. (7-0-0)

GO Topeka Quarterly Report was presented.

Matt Pivarnik, President & CEO of GO Topeka, thanked Commissioner Archer for his work in the community and expressed his appreciation to him as a mentor. He commented on the accelerator Plug And Play best practices, strategy and implementation.

Molly Howey, GO Topeka Senior Vice President of Economic Development, discussed New Business Attraction which includes 16 new projects year-to-date and shifts towards emerging technology and being proactive with companies. She stated staff continues to work on strategic planning and finishing up incentive guidelines review, and when complete, the guidelines will be posted on their website.

Barbara Stapleton, GO Topeka Business Retention and Talent Initiatives Vice President, reported the Choose Topeka Incentive program would move forward as approved by the GO Topeka Board with guidance from the Executive Committee and noted she expects to enhance the program over the next few months and have individual discussions with the JEDO Board to receive their input. She also stated the expected launch and promotion of the program would be January 2020 pending the approval of the 2020 budget when considered in December. She gave an overview of the following:

- Business retention and expansion projects
- TopCity Teachers program sponsored by Family Service and Guidance
- Talent Initiatives to incentivize people to live and work in the city

Commissioner Archer left the meeting.

Glenda Washington, GO Topeka Senior Vice President of Entrepreneurial & Minority Business Development (EMBD), reported the EMBD has awarded \$133,127 in incentives for 2019 to date, with a total economic benefit of \$1,480,202 since 2016. She gave a brief overview of the following programs:

- Small Business Incentives has issued \$142,808 in incentives to assist small businesses and currently includes 30 businesses in the pipeline
- FastTrac New Venture has 21 students currently enrolled in the program and 35 active businesses
- Topeka/Shawnee County First Opportunity Fund (TSCFOF) which provides direct loans or lines of credit to small businesses throughout Shawnee County has provided loans in the amount of \$100,000 (year-to-date) and currently has five (5) businesses in the pipeline
- Topeka Housing Authority (THA) Empowerment program includes six (6) new Startups which will go through an 18-week program and will open a new empowerment center in the Pine Ridge development
- Kansas Procurement Technical Assistance Center (PTAC) has 67 new clients; provided 229 hours of counseling; awarded \$2.8 million to businesses in Shawnee County; and generates \$6.24 for every \$1 JEDO invests

Katrin Bridges, GO Topeka Senior Vice President of Innovation, gave a brief summary of Plug And Play, a global accelerator business that will start in Topeka for Animal Health/Ag Tech. She commented on the opportunity and economic impact for the Topeka-Shawnee County area and highlighted the following program information:

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- Topeka Innovation Hub Accelerator Program Governance & Startup Filtration (twice a year)
- How the program will attract and retain top talent, innovative startups and global corporations; access Silicon Valley-based venture capital; establish Topeka in the heart of the Animal Health Corridor; lead the region in innovation and support local companies who need to innovate.

Lindsay Lebahn, Forge Executive Director, commented on Forge Young Professionals of Topeka and highlighted the following year-to-date statistics and program information:

- 127 events/meetings
- 1780 people attended various events
- 1767 active members
- 27 social media member spotlights
- Washburn Internship: Bridging the Gap between Washburn University and Downtown
- Topeka Youth Council First Annual Grub Crawl
- Continue connecting with community partners

In conclusion, Molly Howey reported staff was currently working on the 2020 budget. She invited the JEDO Board to meet one-on-one with staff to review the budget to be presented for consideration at the December 11, 2019, JEDO Board meeting.

Broadband Project Update was presented.

Councilmember Jensen gave the history of the Broadband Project and reported he has been working with Tilson Technologies to identify options for broadband services and determine what internet services look like for the Topeka-Shawnee County community. He offered to discuss options on how to move forward with Shawnee County Commissioners at their next commission meeting. He stated broadband services in the County would not be feasible without subsidies and noted the Broadband Assistance Guide will be drafted once the policies are completed by both City and County entities.

Deputy Mayor Clear asked what other communities are doing to offer broadband services to all citizens.

Councilmember Hiller asked if the City and County need to establish revise or remove any policies for a solution to providing access to broadband services. She questioned if digital literacy was a factor that should be seriously considered - not just simply broadband access.

Councilmember Jensen stated other cities are using subsidies to offer internet access and he concurs with Councilmember Hiller in the possibility of the need to address digital literacy. He reported some City policies have been identified and recommendations have been given for County policies.

Commissioner Cook requested a discussion item be added to a future Shawnee County Commission meeting agenda to allow Councilmember Jensen to discuss with Commissioners what needs to be clarified and revised in County code.

DISCUSSION on GO Topeka Contract was presented.

Mayor De La Isla stated she has had crucial discussions with GO Topeka Board members regarding the GO Topeka services agreement and studying what other communities are doing to develop relationships and trust in the community and with business partnerships. She noted there are a few options to consider but wants to ensure the six month termination language continues to be included in the agreement.

Kurt Kuta, GO Topeka Chair, asked the JEDO Board to consider the momentum, continuity and assurances that GO Topeka has gained with businesses and organizations in our community. He stated staff has worked diligently and consistently in the community. He reported the current contract expires December 31, 2020; however, he would like to propose renewing the contract with rolling three (3) year terms and include a one (1) year window. He noted the 180 days to terminate the agreement would continue to remain in the contract. He suggested adding the agreement extension to the December 11, 2019, JEDO Board meeting for consideration.

Dan Foltz, GO Topeka Chair-Elect, commented on continuity being important in partnerships to bring people to a community and allows stability to keep moving forward. He encouraged the JEDO Board to continue GO Topeka's services in the community.

Councilmember Hiller asked for clarification on the contract extension and language pertaining to annual reports. She expressed concern with extending an agreement when economic development terms and visions frequently change and believes it is important to annually review a work plan and budget to build new ideas and practices.

Kurt Kuta reported language could be included to extend the agreement in December when the JEDO Board approves the budget every year or include automatic rollover language to extend the contract. He stated GO Topeka would be responsible for presenting the budget and business plan annually for approval so that language would remain in the agreement.

DISCUSSION on Kansas Open Meetings Act and Kansas Open Records Act (KOMA/KORA) considerations for JEDO and GO Topeka was presented.

Matt Pivarnik, President and CEO of GO Topeka, reported GO Topeka continues to be an open and transparent organization that takes KOMA and KORA into serious consideration when conducting business. He noted GO Topeka does often handle non-disclosure agreements with corporations which allows them to withhold information until appropriate to disclose.

PUBLIC COMMENT

Elvera Johnson, JUMP member, thanked the JEDO Board for supporting efforts with SOTO (South Topeka) and NETO (Northeast Topeka) Topeka Metropolitan Transit Authority's Ride-To-Work Programs. She stated she believes these programs have been successful for citizens to access businesses in these areas and hopes the programs will continue.

Carol Marple commented on the Quality of Life Grant awarded to the City of Auburn.

Lazone Grays expressed concern with ensuring quality of life for City and County citizens and how the JEDO Board impacts the community as a whole.

Mayor De La Isla acknowledged Commissioner Archer's work in the community and thanked him for his support and leadership.

No further business appearing the meeting was adjourned at 7:41 p.m.