

**Joint Economic Development Organization Board Minutes
February 12, 2020**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, February 12, 2020.

The Joint Economic Development Organization (JEDO) Board members met at 6:00 p.m. with the following voting Board members present: Shawnee County Commissioners Bill Riphahn, Kevin Cook and Aaron Mays; City of Topeka Mayor Michelle De La Isla, Deputy City Mayor Tony Emerson, and City Councilmembers Michael Padilla and Michael Lesser. Shawnee County Commissioner Kevin Cook presided as JEDO Chair.

The following nonvoting JEDO Board members were present: City Councilmembers Karen Hiller, Christina Valdivia-Alcala, Hannah Naeger and Spencer Duncan.

The following nonvoting JEDO Board members were absent: City Councilmembers Neil Dobler and Sylvia Ortiz

Others present who presented and/or spoke before the Board: Molly Howey, President of Economic Development for GO Topeka; Matt Pivarnik, President and CEO of Greater Topeka Partnership; James Crawl, Shawnee County Counselor; Barbara Stapleton, VP of Business Retention and Talent Initiatives for GO Topeka; Glenda Washington, Senior VP of Entrepreneurial and Minority Business Development for GO Topeka; Rhiannon Friedman, Business Development Manager for GO Topeka.

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

Councilmember Lesser moved to approve the December 11, 2019 meeting minutes as presented. Mayor De La Isla seconded. Following a voice roll call vote, motion carried unanimously (7-0).

ITEM NO. 4A: PRESENTATION: Roles of Members and Quick Meeting Norms

James Crawl, Shawnee County Counselor, explained that Kevin Cook, JEDO Chair, asked him to update the body on the operational rules for the benefit of the new members. But before he got started on that he introduced the new JEDO Clerk, Tabitha Pusch. James Crawl went on say that he wanted to clarify the Role of the members of JEDO as per the operation rules. He stated there are 13 members to JEDO, not just the voting members. There are four members from the City of Topeka, the Mayor, Deputy Mayor, two designated councilmembers and all three Commissioners. The non-voting members are also members of JEDO. This means pursuant to our rules that non-voting members can make motions and can second motions. The only time we will count votes of the voting members is on action items, but non-voting members can have full participation, ask questions and are important members of this body.

ITEM NO. 4B: PRESENTATION: Go Topeka 2019 Year-End Wrap-Up

Molly Howey, President of Economic Development for GO Topeka, presented. She gave a short orientation on Go Topeka for new members and an overview of 2019 which included:

- Go Topeka operates on under 20 % of the countywide half cent sales tax. There is also road and bridge projects, the zoo and the Stormont Vail Events Center that makes up that half cent sales tax.
- There are 9 new business projects and 3 existing business expansions since the first of the year. 24 total in 2019.

Barbara Stapleton, VP of Workforce and Education for GO Topeka, presented an overview of the projects covered in 2019 which included:

- 2019 generated a total Economic Impact of \$1,332,100,100.
- It was a Blend of attraction and expansion.
- Video of Quality of Place Testimonials.
- Summary of the Talent Relocation Initiative.

Commissioner Cook asked if she knew where the Walmart project ranked as far as Economic Development in the State of Kansas for 2019.

Ms. Stapleton replied that it ranked second for all of 2019 in Kansas.

Commissioner Cook inquired if all four of the projects for Quality of Place have been completed?

Ms. Stapleton answered that yes they are all complete.

Councilmember Padilla asked if The Choose Topeka Incentive submissions for employment were a specific profession that they were focusing on or shaking out on?

Ms. Stapleton explained that there is no specific profession but a blend of professions such as healthcare, legal, manufacturing, warehouse distribution and small business. Many employers from all industries are interested.

Councilmember Hiller asked if The Choose Topeka Incentive program is only getting activated in the companies and at the level of position that would have normally relocation allowance or is it creating new ones?

Ms. Stapleton replied that they are seeing it help employers be able to offer the relocation package when they might not have historically done so.

Councilmember Valdivia-Alcala asked what is the base pay going to be for the Walmart Distribution Center.

Ms. Howey explained that the contract listed base pay of \$34,000 but it will still be a few years while they are under construction and hiring people that that number may change and be revised. She said they will report back once they get a revised number.

Washburn Tech East Video was presented.

Ms. Stapleton added that when East Topeka is doing well than all of Topeka is doing well. She added there are also improvements happening with Hillcrest Community Center adjacent to Washburn East.

Commissioner Cook asked if everything has been followed up on and all the accounting and everything is complete with Washburn Tech East.

Ms. Stapleton responded that everything was complete. They will continue with reporting for the tax credits.

Councilmember Hiller thanked everyone for their work on Washburn Tech East.

Ms. Stapleton gave a special thanks to Counselor Crowl for all his work on the project.

Mr. Crowl responded that it is an honor and privilege to serve in his position and he wanted to thank everyone else who worked hard on the Washburn Tech East project.

Glenda Washington, Senior VP of Entrepreneurial and Minority Business Development for GO Topeka went over the last year in what GO Topeka did with small businesses. She stated that last year they were very aggressive in making sure they created sustainable energy around small businesses so they did things a little differently and they will this year also. We actually draw a small business base, we look at what's going on in the community and how we can make an impact. We entered into a relationship with the housing authority and thought that would be a great way to help people rise up and get to the next level. They identified some individuals in housing and help them to become a small business. They are collaborating and doing things in stages. It is a three stage process. Stage one was the initial training and now they are on stage two which is continued training and mentoring, education, looking for internships and other things that they wouldn't normally do to be successful. They have visited sites for where the businesses are going to be. In the next coming months you will see four to five businesses come online and we will continue to give them aid. We have a systems coach, a business coach and a mentor. Glenda stated they have seen an increase in small business appointments. They are doing a small business focus group so they can hear from the small business community. They have also had an increase in loan inquiries from people that are very capable of getting loans and starting their own businesses. She said in the spring they are going to do a press conference and introduce all the programs and show the community the impact they are making. She also talked about how the East Topeka Council is also being aggressive on things. Finally she wanted to share a little about what they are doing with their new incentive program. The highlights are:

- 109 incentives in 2019
- 351 incentives over the 5 years of the program
- Impacted 553 full time jobs and 520 part-time jobs
- Created an incentive committee to see how they could move the incentive program further
- Added a new incentive called architect and design
- Added the *Second Stage Business* which included businesses from 10-100 employees

Councilmember Hiller asked if they track the businesses after the one year point or five year point.

Ms. Washington responded that they do track them because they want to see if they are creating jobs.

Councilmember Hiller stated that she would like to see those at some point to see if they are creating and sustaining jobs.

Ms. Washington said she would get her the list and that the businesses that went through this program are still in business and they lose very few to attrition.

Councilmember Lesser asked about Via's Pizza that is in his district and he knows they went through this program. He was wondering if they have gone out of business.

Ms. Washington stated that yes they have gone out of business.

Councilmember Valdivia-Alcala asked about small minority owned businesses and Latino owned businesses, is their approach outreach or just wait for them to walk through the door?

Ms. Washington stated that they do all the above. A lot of people walk through the door but they also do outreach.

Councilmember Valdivia-Alcala asked if they get a lot of calls from the Spanish seeking community.

Ms. Washington stated that it has opened up a bit. There was a trust issue and they had to establish trust.

Councilmember Valdivia-Alcala mentioned she was asking because there is a bakery in Oakland that had equipment issues with the ovens and is that something he could reach out to get more information?

Ms. Washington said that they could talk to him about that.

Councilmember Padilla spoke about working with Glenda and attending the small business mixers they have had. He stated that there has been a really big effort to try and reach out to the small

business owners, Spanish speaking as well, and have seen an increase number of Spanish speaking business owners attending. He would encourage everyone to come out to the next one at KTWU.

Commissioner Cook reminded everyone if they have any further questions they can contact GO Topeka Staff and the reports are also online.

Ms. Washington presented Innovation Topeka Video.

ITEM NO. 5A: ACTION ITEM: Approval of Funding for Project Bond

Rhiannon Friedman, Business Development Manager for GO Topeka, reported Project Bond is an existing manufacturing company wanting to increase their capacity by investing in new equipment. This will allow for them to increase their production, therefore increasing their employment numbers. This incentive is performance-based and would be paid out in equal installments annually over five years, not to exceed \$337,500 in aggregate. The expansion is expected to create up to 75 new full-time jobs with an average salary of \$45,000 plus benefits. \$5 million capital investment which would include land purchase, improvement expenditures and equipment purchases and a 10 year economic impact of \$208 million. Rhiannon stated that we would have a 92% return investment on this project. The following incentives were recommended:

- \$337,500 Employment Incentives (\$4,500 per new job)
- \$75,000 Training Incentive (\$1,000 per new employee)
- \$10,000 (\$5M Capital Investment)
- **\$422,500 TOTAL PROPOSED INCENTIVE**

Mayor De La Isla moved to approve funding for Project Bond in the amount of \$422,500. Seconded by Councilmember Emerson. Motion carried unanimously (7-0).

ITEM NO. 5B: ACTION ITEM: Approval of Funding for Project Prince

Barbara Stapleton, VP of Workforce and Education for GO Topeka, presented. She reminded everyone that the three Incentive Projects presented tonight are still early in the process and will remain under the code names until funding is approved and then they will develop the Agreement and share it at a later JEDO Meeting.

Ms. Stapleton stated Project Prince is a \$31.4 million Capital Investment which includes facility improvement expenditures and equipment purchases. This incentive is performance-based and would be paid out in equal installments annually over five years, not to exceed \$214,500 in aggregate. The expansion is expected to create up to 33 new full-time jobs with an average salary of \$56,000 plus benefits. She explained there would be a 10 year economic impact of \$495 million. Glenda stated that we would have a 504% return investment on this project with a payback period of less than one year. The following incentives were recommended:

- \$214,500 Employment Incentives (\$6,500 per new job)
- \$33,000 Training Incentive (\$1,000 per new employee)
- \$93,500 (\$31.4M Capital Investment)
- **\$341,000 TOTAL PROPOSED INCENTIVE**

Commissioner Mays moved to approve funding for Project Prince in the amount of \$341,000. Seconded by Commissioner Riphahn. Motion carried unanimously (7-0).

ITEM NO. 5C: ACTION ITEM: Approval of Funding for Project Spark

Rhiannon Friedman, Business Development Manager for GO Topeka, reported Project Spark is an existing manufacturing company which recently increased their sales force to help drive new business. They are looking at equipment expansion and adding new employees. This incentive is performance-based and would be paid out in equal installments annually over five years, not to exceed \$668,000 in aggregate. The expansion is expected to create up to 167 new full-time jobs with an average salary of \$40,000 plus benefits. She explained there would be a \$6 million capital investment which would include equipment purchases and a 10 year economic impact of \$400 million. Rhiannon stated that we would have a 68% return investment on this project. The following incentives were recommended:

- \$668,000 Employment Incentives (\$4,000 per new job)
- \$167,000 Training Incentive (\$1,000 per new employee)
- \$12,000 (\$6M Capital Investment)
- **\$847,000 TOTAL PROPOSED INCENTIVE**

Councilmember Padilla moved to approve funding for Project Spark in the amount of \$847,000. Seconded by Mayor De La Isla. Motion carried unanimously (7-0).

ITEM NO. 6: DISCUSSION: Asset Strategy

Commissioner Cook explained how he asked for Molly Howey, President of Economic Development for GO Topeka, to present on this topic. That in discussions with her they were wondering if rather than asking questions on topics on the fly, the board could come up with a topic they would like to discuss and give the GO Topeka Staff an opportunity to come up with a presentation for the next JEDO Meeting. For example, the problem we may be having with housing due to all the economic development, which was also discussed at the last City Council Meeting. Also, workforce development. He stated that instead of the Chair just picking topics to discuss, the Board could have a discussion of what topics they might like to have discussions on. He would like Molly to present on what she thinks she would be able to come up with for the next JEDO Meeting and also our Asset Strategy on available land space and what we're looking at for the future.

Molly Howey, President of Economic Development for GO Topeka, spoke about how in the past one of our major assets was the ability to offer buildable ready land of large size tracts. That is

not so much the case anymore, but that's ok. We have new initiatives on the horizon such as business attraction, business retention and expansion, small business development and workforce development. She began to explain some of the new additions to the strategy to grow Topeka and Shawnee County. Go Topeka had spent a lot of time the last year in a series of Retreats and had made some of the following changes:

- They decided to take more of a rifle approach instead of a shotgun approach.
- They revised the Mission Statement.
- Animal Health corridor is an untapped opportunity.
- Identified Focus Areas on Companies they plan to pursue, which include:
 - High-wage, high-growth companies
 - Innovation
 - Entrepreneurship
 - Enhance/promote current assets
- Board agreed not to acquire anymore land for industrial use.
- Heavier focus on Physical Asset needs, such as:
 - Promoting and marketing Airport as a business location
 - Redevelopment Opportunities
 - Plug and Play Space
 - Innovation Center and Campus

Katrin Holzhaus, Senior VP Innovation of The Greater Topeka Partnership, spoke about Innovation and Entrepreneurship. She started with a presentation about the Plug and Play Program which is an innovative platform that specializes in matching innovative start-ups with corporations that can use their innovative products and services to be more competitive in the market place and to create more value for their shareholders. Since they announced the partnership in 2019 they have recruited corporations to become the founding members of the program. They will be holding their kick-off event in March and within a few months will have 8 to 12 start-ups which will create more economic activity for our local businesses as well as attract top talent to our community. She also believes it will give us the reputation for being a haven for entrepreneurs and innovators. She presented a short summary of the program which highlighted:

- Start with 500 Start-ups
- 100 of them get presented to the Founding Members
- 20-30 get selected to present
- 8-12 will be selected to actually be in the accelerator Program for the 3 months
- There are 3 month cycles every 6 months

Ms. Holzhaus explained that it will come down to 4 things:

1. Space – They are working on getting a downtown Innovation Center online. This will be the home of the Plug and Play Program, but it will also house other initiatives and be the place where resources are available.
2. Programming – They are currently looking at 4 different locations for an Innovation Campus, which would include a wet lab space.

3. Access to Funding – Creating relationships with Venture Capital and Seed Funds is important so we can connect our entrepreneurs with those resources and investors.
4. Integration – It is important to integrate the new start-ups and introduce them to the Assets we have in the Animal Health Corridor and links to local resources and imbed them to our community

Commissioner Cook inquired if he understands that right now we are working more on the space side of it and getting the Innovation Campus going and if we would be looking for more information about it in the future.

Ms. Holzhaus responded that is correct.

Commissioner Cook then asked if once we developed the Innovation Campus, then we would move into the programming and watching those start-ups come into fruition.

Ms. Holzhaus explained that everything would actually have to be developed at the same time. She said to keep in mind that selection day is going to happen here. There will be 20 start-ups, even those that will not be selected for the Accelerator Program. We could potentially put an offer in front of them too if they are a good match and come from the Animal Health or Agg. Sector. So that means we need to have programs in place. We need to either have additional programming here or refer them to our regional partners that have other Accelerator Programs.

Commissioner Cook asks when we are talking about selection day are we looking at local start-ups, regional start-ups, international start-ups? What is it we should be anticipating?

Ms. Holzhaus explained that there is no restriction where they come from. It could be local, regional or global.

Commissioner Cook asks Molly if we are sort of shifting focus from having that shovel ready land to the Plug and Play?

Molly Howey, President of Economic Development for GO Topeka, explained that since we don't have the land to compete for the big box store attraction projects anymore, the timing is right to further diversify and focus on the other Assets we have.

Commissioner Cook clarified that we are not abandoning those attraction projects, rather opening up to newer areas.

Ms. Howey stated that you have to focus on something so we can target our message.

Councilmember Duncan inquired if there was a list of properties in the County that they were watching, that if they went on sale they would talk about purchasing.

Ms. Howey explained that yes they have a database on their website and they reach out to the brokers and land owners that have large parcels. She said they have always marketed those sites

and they offer the same benefits to companies whether they choose our land or private land. They will still try to work with them and do anything they can to help.

Councilmember Hiller inquired to Commissioner Cook about the board coming up with topics that could be presented at a future JEDO meeting, which is what Commissioner Cook was discussing before. She mentioned the housing topic again.

Commissioner Cook explained that he wanted to set a new precedent where at the end of each JEDO Meeting a topic could be selected to present and the next JEDO Meeting. That would give GO Topeka time to prepare and come up with a presentation. That way it could be complete and comprehensive. For example the housing initiatives and workforce development. However, that is just a suggestion. He asked if anyone else had any suggestions for topics.

Councilmember Hiller gave the following suggestions:

- Diversion inclusion in opportunities.
- Redevelopment professionals.
- Infill and neighborhood based housing incentives or opportunities.
- Workforce opportunity network system for our local residents.
- Exploration of Heritage Tourism as an economic development driver.

She also added that the times the GO Topeka Board and JEDO Board have come together on a projects, she found it very enriching and suggested that could be a way for the board to be more informed on topics.

Commissioner Cook noted that was something that him and Molly had actually been discussing, possibly something less formal, such as a work group.

Councilmember Naeger commented that she would like to have a discussion on infill housing. She thinks it would be a great partnership between JEDO and those City Initiatives to make sure we have housing for all the new jobs.

Councilmember Valdivia-Alcala suggested a discussion on growing entrepreneurs in green business in Topeka.

Commissioner Mays mentioned he would like to hear the discussion on infill housing, but would also like to talk about infill commercial properties and what we could do to rehabilitate our dilapidated commercial properties.

Councilmember Lesser stated he would like to start seeing at some point an update on some of the projects we have already approved. He explained that he sees that as a motivating factor by seeing the success of projects.

Commissioner Cook asked if there was a general agreement on the Infill Housing discussion. He asked Molly if it Infill Housing would align with each other to be discussed.

Ms. Howey stated that there is overlap in those topics but each one has stand-alone topics as well.

Mayor De La Isla made a suggestion that they create a google poll for them to sort of vote on what topics everyone would like to choose.

Commissioner Cook asked James Crowl, County Counselor if that would violate any Open Meetings Acts.

James Crowl, Shawnee County Counselor, responded that he would be concerned with that. He knows we are all committed to transparency and so as much as you can accomplish in picking the topics so the public knows what to expect is what I would recommend.

Commissioner Cook asks the Board if there is a topic that everyone would like to hear.

Deputy Mayor Emerson stated that he would like to discuss the Infill Housing since they are doing a lot with housing at the City right now.

Commissioner Cook asks if he would like to also add the Commercial Property discussion on there as well.

Deputy Mayor Emerson said he would like to hear about Commercial Infill also.

Ms. Howey asked the Board if they were talking about just Infill Housing or housing in general, also she wants to know if they are not expecting them to add on the data that is presented to them but revert back to them with potential strategies.

Deputy Mayor Emerson commented about the City Council meeting and how they had a gentlemen come speak who is going to be coming up with 3-5 strategies for them in the coming months and maybe those would help. But Infill Housing is something that we desperately need in the City.

Ms. Howey asked if maybe they could wait until they get the report from the City as to not be doing work that they are already doing.

Matt Pivarnik, President and CEO of Greater Topeka Partnership, added that housing is something that has been keeping them up at night. He said that we have the jobs, we have thousands of people who want to come here and now we're missing one thing which is where they're going to live.

Mayor De La Isla stated that the City was also discussing that it is not just moderate income housing but nice apartments as well that the people we are attracting are wanting. She is going to try to see to it that everyone receives the report from the City.

Commissioner Cook inquired if they knew the time frame for the report. In which he received the response of April.

Commissioner Mays asked if it would be possible for the company doing the report to do one presentation for the City and an additional presentation to JEDO.

Councilmember Hiller mentioned that she did not want to make any promises just because she is the one who suggested Infill Housing and it wasn't even on their list. So she is just not sure what all they will be reporting on. She said it would be nice for the Board to even just explore the possibilities even if they don't come up with a specific solution.

Commissioner Cook brought up the fact that it would be impossible to have an in-depth discussion on a quarterly bases of everything that GO Topeka does. This is why he thought if we were able to focus on one topic and then allow the GO Topeka staff to present on that one topic.

Councilmember Valdivia-Alcala asked Mayor De La Isla if she was referring to giving the report that they present or the full 44 page report that details the housing situation.

Mayor De La Isla said it would be the full report.

Mr. Pivarnik commented that he believes it would be helpful to just start having discussions even if there isn't every solution, especially with the City being parallel to their worries. He mentioned about possible Incentives for builders because builders just aren't wanting to build right now.

Commissioner Cook made a motion to work with the City and have the discussion of Infill Housing on the May Agenda. Seconded by Councilmember Emerson. Motion carried unanimously (11-0).

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:27 p.m.