

Joint Economic Development Organization Board Minutes
April 1, 2020

Law Enforcement Center, 320 S Kansas Ave., Conference Rm. A, Topeka, Kansas,
Wednesday, April 1, 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, Neil Dobler and Christina Valdivia-Alcala appeared by video.

The following nonvoting JEDO Board members were absent: City Councilmembers Hannah Naeger, Spencer Duncan 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; Glenda Washington, Senior VP of Entrepreneurial and Minority Business Development for GO Topeka.

Commissioner Cook made a Motion to add an item to the Agenda: Motion to provide for the suspension of in person voting during a state of emergency, and allow participation through a zoom meeting or other types of technology.

Deputy Mayor Emerson seconded. Commissioner Cook made sure there was a quorum for voting purposes. Following a roll call vote, motion carried unanimously (6-0).

Commissioner Cook made a Second Motion: Motion to temporarily suspend the JEDO Operational Rule that requires in person voting by voting members on action items so long as we are under a state of emergency that has been issued either by the State or the County. This Motion would specifically authorize City and County staff to arrange for participation by all JEDO members, and public participation if feasible, through a zoom meeting or equivalent use of technology.

Mayor De La Isla seconded. Following a roll call vote, motion carried unanimously (7-0).

Commissioner Cook further explained what the two Motions would allow for the Board to do in future JEDO Meetings. He stated that before the operation rules did not allow members of the Board to appear by telephone or video and be recognized and now they are being recognized.

ITEM NO. 3A: ACTION ITEM: Discussion and possible action to authorize JEDO's participation in the HOST Program.

Molly Howey, President of Economic Development for GO Topeka, presented. Participation in the HOST Program would include two things. One, an increase in funding for the Small Business Incentive Program. Two, reallocation of those funds to participate in the HOST Program. She went over some details of the program and explained that this is not the gift card portion it is a shift in strategy for the Small Business Incentive Program. She named the members of the committee in the Small Business Incentive Program:

1. Eugene Williams – KTWU
2. Tony Blancas – Fidelity Bank
3. Dana Petrik – CoreFirst Bank
4. Melissa Lackey – US Bank
5. Roger Wilson – Petro Lopez Brand
6. Matt Strathman – Strathman Sales

Ms. Howey stated that what we want to do tonight is adjust some of the criteria in the Small Business Incentive Program to include allowing incentives to be disbursed to small businesses that have been negatively affected by COVID-19. Also, to increase the budget for those efforts to \$1M total. They plan on adjusting the application for the Small Business Incentive Program to allow for this new category and run the applications through the Small Business Incentive Committee.

Matt Pivarnik, President and CEO of Greater Topeka Partnership, talked a little about the private sector. He started out by mentioning how special it is that the City, County and Private sector all work together for Topeka. He also mentioned that on the Business Attraction side, our pipeline is extremely full and we are doing very well. On the flip side, we are worried about the small business side and the displaced workers. He pointed out that regardless of the private sector side he believes we would have still been there because this was something they were already discussing. He knows that different situations require different strategies and they also realize that when we get to recovery that is going to be very important to help the small businesses. He went on to tell about a day that his phone was blowing up with calls from people who needed help. Then he received a call from a friend that said there is a person names Scott Hunsicker that needs to talk to you. Scott explained to Mr. Pivarnik that he had ten businesses who were willing to put in \$20,000 a piece and they would take that \$200,000 right now and get out there and get it into the hands of small businesses. Mr. Hunsicker said they also want to take the products and services and get them into the hands of displaced workers. He already knew that GO Topeka would be able to match that amount because they already had the money and they had already been talking about shifting their strategies. Mr. Hunsicker then asked Mr. Pivarnik if they would be able to match \$1M? So he got on the phone and started making calls and then realized we would need to call a Special JEDO Meeting for this so that everything is transparent for the public. He stated that the private sector is already moving forward and notifying small businesses that help is on the way. Lastly, he stated that what they are asking for today is really straight forward, increase in funding for Economic Development Incentives for small businesses. Some of it will be tied to COVID-19 but they will be very careful with it and make sure it also takes them into recovery mode. He recognizes that we don't know when recovery will be so they will be very careful with the money.

Molly Howey, President of Economic Development for GO Topeka, gave an overview of the exact numbers, which included:

- \$370,000 that was budgeted for items in the Small Business Incentive Program and other Small Business Program costs in 2020 will be shifted to the HOST Program.
- The other categories that exist in the Small Business Incentives will still remain.
- Additionally, they recommend using \$400,000 from carryover and \$230,000 from general GO Topeka carryover to equal a total of \$1M.

Commissioner Cook inquired if they were asking the Board to make decisions tonight on the actual operation of the funds or will that be done by a committee at a later date?

Ms. Howey recommended that the actual operation of the funds be done by the Small Business Incentive Committee at a later time.

Commissioner Cook asked what feedback JEDO would get regarding the success or process and progress of the HOST Program.

Ms. Howey responded that they use two metrics to track the businesses that receives the incentives and check back with them on a yearly basis. They would continue to track the businesses that receive these new incentives.

Commissioner Cook asked if the Committee would be able to give any feedback or presentation by the next scheduled JEDO meeting in May. He feels that we need to make sure the Tax dollars are going to the people that need it the most.

Ms. Howey stated that they would be able to include the applicants to the HOST Program in their report for the May meeting.

Councilmember Padilla asked where the \$400,000 came from when Molly had talked about the source of funding.

Ms. Howey responded that the \$400,000 was MWBD carryover. One of the ways that can be spent would be is economically disadvantaged businesses, so they would have to show that hardship.

Mayor De La Isla explained that she would support this, understanding that we would need a lot of this money for recovery. Since we don't know when the recovery will be, we need to be cautious on how we spend it. She said it was so amazing what the private sector is doing, but let's make sure we can maximize what we have so we can continue to help our businesses.

Ms. Howey pointed out the Support Topeka.com website. They are trying to get a lot of resources on there to help people locally. They are also working very hard to help connect the businesses with State and Federal programs as well.

Commissioner Riphahn asked how much the private sector has raised to date.

Ms. Howey stated that the last time she had looked at noon that day, they were at \$475,000.

Commissioner Riphahn then asked if we are just going to match the private sector or are we going to commit to the \$1M to support this effort?

Ms. Howey stated that their recommendation is to go ahead and support it with \$1M.

Councilmember Lesser asked if they have determined exactly what small business is.

Ms. Howey responded that right now they are looking at businesses with less than 100 employees.

Councilmember Lesser then asked will the process and metrics come back before the Board to approve or are we just giving a \$1M and letting GO Topeka decide what to do with it.

Commissioner Cook stated that was in line with his earlier question about GO Topeka presenting more information and updates at the next JEDO Meeting in May. He explained that the private dollars will be able to go out immediately and the public dollars will be able to be strategically deployed later on after we have a better idea of where our community is at.

Mr. Pivarnik pointed out that we keep saying \$1M but we have to remember that \$370,000 was already approved. They are only asking to take it from the \$370,000 and move it up to \$1M. He stated that when they approved the incentive money before they didn't approve the criteria, they Board left that up to the Committee to decide. That is what they are also asking now. To approve the increase in funding and still let the Committee decide the criteria. He mentioned that he would love to have someone from the JEDO Board serve on the Committee, preferably someone who owns a small business. Lastly, he pointed out that their application file is full so they would like to go ahead and get started.

Councilmember Padilla asked if this program would include businesses that are just starting up or is it only more established businesses?

Glenda Washington, Senior VP of Entrepreneurial and Minority Business Development for GO Topeka, explained that would be decided by the Committee. They did have discussions on the businesses with new start-ups and that is something they still have to decide. They may decide to support them in a different manner, such as incentives they already have vs. the new incentive they have coming to the table.

Councilmember Padilla stated he thought it is so amazing that Topeka has responded to this crisis like they have, as well as the private sector. He just asks that we stay transparent to the public.

Councilmember Valdivia-Alcala wanted to clarify that it will be in fact the Small Business Incentive Committee that was named earlier that will be reviewing this process. Also, will it only be for businesses that they have heard from already or will they be reaching out to all business throughout the community?

Ms. Washington confirmed that it will be that committee. She also explained that it is not just for

the businesses they have heard from already, but they will be reaching out to the list of businesses they have throughout the community and those businesses will help set the criteria for the incentive. She mentioned that if they had someone from the JEDO Board serve on the committee then that person could be the voice of JEDO. She also wanted to mention that all the information and applications will also be translated in Spanish. They are having a press release that will be translated in Spanish, so they are trying to reach everyone in the community.

Councilmember Dobler stated that he certainly supports the program.

Mr. Pivarnik told a story about a Latino owned business he had just heard from and they had said that they never knew that they mattered to the Greater Topeka Partnership. And now they know. So just the power of getting that word out there is important.

Councilmember Hiller first wanted to thank the staff and the private sector. She stated that she had submitted her comments and questions in writing. She also mentioned that she was glad to hear that they were still preserving some of the money for the start-up of new businesses. She also wanted to know if one person businesses are included.

Councilmember Emerson stated that he whole heartedly support this. He mentioned these are our neighbors that support Topeka day in and day out. These are not some faceless corporation. He mentioned how he has owned a small business for 31 years and nothing could have prepared you for this. He wanted to let all the small businesses in Topeka know that we have their back and will help with whatever we can. Lastly, he thanked the Chair, the Mayor, Matt and Molly for all the work they have done on this.

Ms. Howey answered the questions from Councilmember Hiller. She stated that both the private sector and the JEDO side will be including the solo entrepreneurs. And as far as the Civic Theater she doesn't think they are looking at any criteria as far as that goes.

Commissioner Mays mentioned that he is worried that if we just commit to the \$1M, the private sector fundraising will stop or even slow.

Mr. Pivarnik believes that the private sector will raise the money. He also thinks that the news from this meeting will spur more donations. He reminds Commissioner Mays that they already had \$450 in the budget and they are just asking them to raise it to the \$1M.

Commissioner Cook then asks Legal Counsel, James Crowl, if the following items could be made with one Motion, or if they should all be separate Motions:

1. Participation in the HOST Program
2. Increasing of the budget up to \$1M
3. The administration of the program would be ran through the Committee

James Crowl, Shawnee County Counselor, stated that he could put it all in one Motion.

Commissioner Archer moved to approve the above mentioned motion. Mayor De La Isla seconded. Following a roll call vote, motion carried unanimously (7-0).

Commissioner Cook stated that both Councilmembers Emerson and Lesser are small business owners. He then asked if either of them would like to serve on the Small Business Incentive Committee.

Councilmember Emerson said he would serve on the committee.

Commissioner Cook made an appointment for Councilmember Emerson to serve on the committee. He stated that he would report back in the May meeting. He stated that if anyone has any input to make sure to talk to Councilmember Emerson so he can report to the committee. He also noted that we did receive written public comment by Joseph Ledbetter and that is part of our record.

NO FURTHER BUSINESS appearing the meeting was adjourned at 6:44 p.m.