



JEDO Board Meeting
May 13, 2020
6:00 P.M.

ZOOM Meeting
Topeka, Kansas

JEDO Board Members

Shawnee County Commissioners

Bill Riphahn District No. 1
Kevin Cook District No. 2
Aaron Mays District No. 3

City of Topeka Governing Body

Michelle De La Isla Mayor
Karen Hiller District No. 1
Christina Valdivia-Alcalá District No. 2
Sylvia Ortiz District No. 3
Tony Emerson District No. 4
Michael Padilla District No. 5
Hannah Naeger District No. 6
Neil Dobler District No. 7
Spencer Duncan District No. 8
Michael Lesser District No. 9

JEDO Board Voting Members

Shawnee County Commissioners

Commissioner Bill Riphahn
Commissioner Kevin Cook
Commissioner Aaron Mays

City of Topeka Governing Body

Mayor Michelle De La Isla
Deputy Mayor Tony Emerson
Councilmember Michael Padilla
Councilmember Michael Lesser

Public Comment. Comment from members of the public shall be entertained on each actionable agenda item and at the end of each meeting. Comment shall be limited to topics directly relevant to JEDO business. Members of the public wishing to speak must notify the County Counselor's Office (call 785-251-4042 or email tabitha.pusch@snco.us) before 5:00 p.m. on the date of the meeting. Because this will be a Zoom meeting, public comment will occur by telephone. The JEDO Secretary will provide the call in number to those who sign up for public comment. As is normally the case, public comment shall not apply to items added during the meeting. Members of the public shall be given four (4) minutes to speak and must maintain proper decorum relating to public meetings.

Agenda. Agendas are furnished at least five (5) business days prior to each meeting and posted on JEDO's website at <https://www.jedocodevo.com/Meeting-Documents/>.

To make arrangements for special accommodations please call 785-368-3940. A 48-hour advance notice is preferred.



JEDO BOARD OF DIRECTORS AGENDA

Wednesday, May 13, 2020

6:00 p.m.

**ZOOM Meeting
Topeka, Kansas**

1. CALL TO ORDER

2. ROLL CALL

3. ACTION ITEMS:

- A. APPROVAL of February 12, 2020 JEDO Board meeting minutes
- B. APPROVAL of April 1, 2020 JEDO Board meeting minutes
- C. APPROVAL of 2019 JEDO Auditor's Report.
- D. APPROVAL of Project Bond
- E. APPROVAL of Project Spark

4. PRESENTATIONS:

- A. Recap of 2019 Financial Statements
- B. GO Topeka First Quarter Report
- C. HOST Program Update
- D. Economic Status Report Update

5. DISCUSSION:

- A. Housing Discussion – Motion to Defer Action Due to COVID-19

6. PUBLIC COMMENT:

7. REMINDER: 2020 JEDO Board Meeting Dates per the JEDO Operational Rules:

Wednesday, September 9, 2020

Wednesday, December 9, 2020

8. ADJOURNMENT.

Public Comment. Comment from members of the public shall be entertained on each actionable agenda item and at the end of each meeting. Comment shall be limited to topics directly relevant to JEDO business. Members of the public wishing to speak must notify the County Counselor's Office (call 785-251-4042 or email tabitha.pusch@snco.us) before 5:00 p.m. on the date of the meeting. Because this will be a Zoom meeting, public comment will occur by telephone. The JEDO Secretary will provide the call in number to those who sign up for public comment. As is normally the case, public comment shall not apply to items added during the meeting. Members of the public shall be given four (4) minutes to speak and must maintain proper decorum relating to public meetings.

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Agenda Item No. 3A

**JEDO Board Meeting
May 13, 2020**

ACTION ITEM:

Approval of February 12, 2020 JEDO Board meeting minutes

**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 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.



Agenda Item No. 3B

**JEDO Board Meeting
May 13, 2020**

ACTION ITEM:

Approval of April 1, 2020 JEDO Board meeting minutes

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.

DRAFT



**April 1, 2020
JEDO Board Meeting
(Special Meeting)**

Written Public Comment (Action Items)

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

1. Joseph Ledbetter

ITEM NO. 7: General Public Comment (Written)

Public Comment. In person public comment at the meeting will not be allowed due to current CDC recommendations and Public Health Orders. Please submit written comments to tabitha.pusch@snco.us before 5 p.m. on the date of the meeting. All written public comments will be submitted electronically to all JEDO members.

1. Joseph Ledbetter:

I wholeheartedly support this action item to authorize JEDO participation in the HOST Program, and increasing small business incentives from \$450,000 to \$1 million. I wish I could speak for it in person. I think this is an excellent idea in these uncertain times.

Thank you.



**April 1, 2020
JEDO Board Meeting
(Special Meeting)**

Councilmember's Written Comments

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

1. Councilmember Karen Hiller

Public Comment. In person public comment at the meeting will not be allowed due to current CDC recommendations and Public Health Orders. Please submit written comments to tabitha.pusch@sncoco.us before 5 p.m. on the date of the meeting. All written public comments will be submitted electronically to all JEDO members.

1. Councilmember Karen Hiller:

JEDO Colleagues -

I have discovered, over the past two days, that the JEDO meeting is still going to be “live in-person” only, that the non-voting members were not expected to attend, and that the meeting is proceeding because a quorum of voting members is still expected. My math says that must be four people of our 13 total. I’m not sure who that is....so I will humbly send my comments to all. If it turns out they work out virtual participation, I will see you then!

Thank you to Go Topeka and GTP staff for stepping up and doing such a great job of advocacy, information and community support during this difficult time!

Kudos to the private businesses that have raised money and offered to help our small businesses!! We are so lucky to have you!! And thank you to Go Topeka for responding promptly to them about whether we could provide grants and access to loan money as well. It makes sense. Those commitments have generated a lot of interest, relief, pride....and questions!

I hope that the following can be considered in your conversations and deliberations this evening:

Have both the private sector and JEDO clarified who exactly are we talking about as small businesses? I think it would help the public to know who can apply, and those of us who refer to make good referrals. I really hope that the final bullet in this section is where everyone ends up.

- Just small businesses who have employees?
- What about solo practitioners such as barbers, hairdressers, masseuses, various work-at-home businesses?
- I was asked whether we were including nonprofits such as Topeka Civic Theater and Topeka Performing Arts who, like the for-profits, rely on sales revenue to support their employees
- Are we really talking about any public or private sole practitioner or small business under [___ 50?] employees for whom at least [___% 30%?] of their revenue is through sales of goods and services?

For the JEDO-related funds, I hope that our motion can say, “allocate up to 1 million from JEDO funds to match the private contribution, and challenge our staff further to assist our businesses in securing at least that much again in grants and loans available from other sources.”

- At this time, commitments from state and federal governments for loans and grants both for our businesses and for their employees are just beginning to emerge. Staff is already gathering and publishing a list of those resources. I hope that those will be first dollars used where appropriate, saving our local dollars for their best uses as those gaps and best uses become clearer. I hope that our private sector donors would celebrate that as well.
- Can this activity still include new businesses? I have heard already of two small businesses who have chosen to permanently close their businesses at this time....and others who are considering taking over closed businesses or spaces, or otherwise start their businesses at this time. I know staff is getting inquiries as well. The JEDO funds we are considering were originally intended for helping people start businesses, so I hope that all would support and celebrate

continuing to use those funds for that reason, even if they have been pledged as match for this initiative.

Thank you so much, everyone, for all you are doing!

*Karen Hiller, JEDO Board Member
Councilwoman, City of Topeka District 1
(785) 232-2917
khiller@topeka.org*



Agenda Item No. 3C

**JEDO Board Meeting
May 13, 2020**

ACTION ITEM:
APPROVAL of 2019 JEDO Auditor's Report

**JOINT ECONOMIC DEVELOPMENT ORGANIZATION
SHAWNEE COUNTY, KANSAS**

Basic Financial Statements
Together With
Independent Auditor's Report

December 31, 2019

JOINT ECONOMIC DEVELOPMENT ORGANIZATION

Financial Statements

December 31, 2019

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Independent Auditor's Report

To the Board of Directors
Joint Economic Development Organization
Shawnee County, Kansas

We have audited the accompanying financial statements of the governmental activities and major fund of the Joint Economic Development Organization as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Joint Economic Development Organization, as of December 31, 2019, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

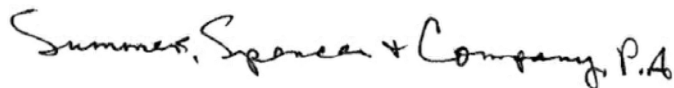
Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2020 on our consideration of the Joint Economic Development Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Joint Economic Development Organization's internal control over financial reporting and compliance.



Summers, Spencer & Company, P.A.
Topeka, Kansas

May 6, 2020

JOINT ECONOMIC DEVELOPMENT ORGANIZATION
Governmental Fund Balance Sheet and Statement of Net Position

December 31, 2019

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 673,644	\$ -	\$ 673,644
Receivables			
City of Topeka	2,457,691	-	2,457,691
Shawnee County	1,447,151	-	1,447,151
<i>Total assets</i>	\$ 4,578,486	-	4,578,486
Liabilities and Fund Balance/Net Position			
Liabilities			
Accounts payable			
City of Topeka	\$ 1,591,938	-	1,591,938
Shawnee County	1,724,600	-	1,724,600
<i>Total liabilities</i>	3,316,538	-	3,316,538
Fund balance			
Restricted	1,261,948	-	-
<i>Total fund balance</i>	1,261,948	-	-
<i>Total liabilities and fund balance</i>	\$ 4,578,486		
Net position			
Restricted		-	1,261,948
<i>Total net position</i>		\$ -	\$ 1,261,948

The accompanying notes are an integral part of the financial statements.

JOINT ECONOMIC DEVELOPMENT ORGANIZATION
Governmental Fund Revenues, Expenditures and Changes in Fund Balance and
Statement of Activities

For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenue			
Sales tax			
City of Topeka	\$ 9,188,923	\$ -	\$ 9,188,923
Shawnee County	7,870,014	-	7,870,014
Interest income	46,016	-	46,016
<i>Total revenue</i>	<u>17,104,953</u>	<u>-</u>	<u>17,104,953</u>
Expenses			
Economic development			
Go Topeka	5,000,000	-	5,000,000
City of Topeka	5,785,504	-	5,785,504
Shawnee County	6,267,629	-	6,267,629
Professional services and other	<u>40,337</u>	<u>-</u>	<u>40,337</u>
<i>Total expenses</i>	<u>17,093,469</u>	<u>-</u>	<u>17,093,469</u>
Change in fund balance/net position	11,484	-	11,484
Fund balance/net position, beginning of year	<u>1,250,464</u>	<u>-</u>	<u>1,250,464</u>
Fund balance/net position, end of year	<u>\$ 1,261,948</u>	<u>\$ -</u>	<u>\$ 1,261,948</u>

The accompanying notes are an integral part of the financial statements.

JOINT ECONOMIC DEVELOPMENT ORGANIZATION
Notes to the Basic Financial Statements

December 31, 2019

Note 1- Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

The Joint Economic Development Organization (JEDO) is a separate legal entity created by an interlocal agreement, as amended and revised (the agreement) between the City of Topeka, Kansas (the City) and Shawnee County, Kansas (the County). JEDO Board of Directors consists of thirteen (13) members. Voting members include the three (3) County Commissioners, the City Mayor, Deputy Mayor and two City Council members. Nonvoting members include the remaining six (6) City Council members.

On August 3, 2004, County voters passed a countywide one-half percent sales tax to finance economic development and countywide infrastructure development. The State of Kansas collects the sales tax and remits the respective taxes to the City and County who in turn remit the sales tax to JEDO.

On November 4, 2014, County voters renewed the countywide one-half percent sales tax for an additional 15 years commencing January 1, 2017 and expiring December 31, 2031.

Beginning January 1, 2017 and continuing each year through December 31, 2031, JEDO shall dedicate \$5,000,000 annually for the purpose of supporting economic development priorities established by the JEDO Board. JEDO shall ensure that not less than 10% of the \$5,000,000 will be targeted to support economic development for socially and economically disadvantaged individuals and/or business enterprises. The remaining funds shall then be distributed to the City (48%) and to the County (52%) for purposes of completing the infrastructure improvements and quality of life projects as set forth in the November 4, 2014 ballot language. In the event the sales tax proceeds are not sufficient to fund all of the improvements and projects, JEDO may alter the distribution formula, or reduce the amount of funds allocated for any particular improvement or project.

Under the agreement, upon the later of the expiration or termination of the sales tax and the completion of and payment for the economic development priorities and the infrastructure improvements and quality of life projects, JEDO shall inform the City and County of any excess funds remaining. Any excess funds will be distributed to the City and County in the proportional rates as provided by KSA 12-192(a).

JEDO is a stand-alone government and is not legally required to adopt a budget for the General Fund. There are no component units related to JEDO that should be accounted for in JEDO's basic financial statements in accordance with Governmental Accounting Standards Board Statements.

Note 2 - Significant Accounting Policies

The accounting policies of JEDO conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the governmental activities of JEDO.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Due to the nature of the funding sources, there are no program revenues and grants and contributions. Sales taxes contributed and unrestricted investment earnings not properly included among program revenues are reported instead as general revenues.

**JOINT ECONOMIC DEVELOPMENT ORGANIZATION
Notes to the Basic Financial Statements**

December 31, 2019

Fund Financial Statements

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

JEDO has one fund for financial statement presentation purposes, the General Fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. JEDO considers retail sales taxes available and susceptible to accrual if they are received within 90 days after year-end.

Countywide Sales Taxes

The one-half percent county-wide sales tax took effect January 1, 2005, and was set to expire on December 31, 2016. The sales tax was extended an additional 15 years commencing January 1, 2017 and is set to expire on December 31, 2031.

Assets, Liabilities and Net Position or Fund Balance

Cash and Cash Equivalents – cash in demand accounts at financial institutions and short-term, highly liquid investments that are readily convertible in known amounts of cash. Interest bearing deposit accounts are reported at cost plus accrued interest.

Accounts Receivable - Retail sales tax collected by the City and County to be remitted to JEDO that have been received within 90 days after year-end.

Net Position/Fund Balance Classifications

Net Position – In the government-wide financial statements, equity is classified as restricted – net position that consists of assets restricted for the sole use of JEDO in accordance with the November 4, 2014 ballot language.

Fund Balance – As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which JEDO is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2019, the fund balance of the general fund is restricted.

JOINT ECONOMIC DEVELOPMENT ORGANIZATION
Notes to the Basic Financial Statements

December 31, 2019

Note 2 - Deposits and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2019:

Demand deposits	\$ 1,000
Repurchase agreements	<u>672,644</u>
Total cash and cash equivalents	<u>\$ 673,644</u>

K.S.A. 9-1401 establishes the depositories which may be used by JEDO. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. JEDO has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits JEDO's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool (KMIP). JEDO has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount JEDO may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, JEDO's deposits may not be returned to it. State statutes require JEDO's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2019.

Note 3 - Economic Development Program

JEDO has entered into an agreement with the Growth Organization of Topeka/Shawnee County, Inc., (GO Topeka), a non-profit Kansas Corporation to provide services in support of JEDO economic development program (the program) designed to expand employment, strengthen the tax base and diversify and strengthen the City and County economy. Under the agreement, JEDO will annually provide Go Topeka \$5,000,000 to carry out the program. Upon written notification, either party may terminate the agreement. Should the agreement be terminated, any cash or real property under the program shall revert back to JEDO. On May 10, 2017, the agreement was again amended to extend the terms through December 31, 2020.

Note 4 – New Markets Tax Credits

In June 2018, JEDO participated in a New Markets Tax Credits (NMTC) financing for the benefit of ETLC. JEDO conveyed the Menninger Army Reserve property to ETLC, which is a non-profit affiliate of GO Topeka specifically created to own and cause the operation of the facility in support of GO Topeka's mission for the property. JEDO also agreed to serve as leverage lender for the NMTC financing.

The NMTC program permits investors in qualified projects in certain low-income communities to claim federal tax credits for making Qualified Equity Investments (QEI) in a designated Community Development Entity (CDE). The CDE must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICs). The tax credits are claimed over a seven-year period and equate to 39% of the QEI.

JOINT ECONOMIC DEVELOPMENT ORGANIZATION
Notes to the Basic Financial Statements

December 31, 2019

GO Topeka created the GO Topeka ETLC Support Corporation, a Kansas nonprofit corporation, (the Corporation), as a supporting organization to own and operate ETLC. The Corporation then entered into a ten-year contract for services with Washburn to provide educational programming at ETLC in exchange for \$1.5 million in operating subsidy payments to be paid over the first two years of ETLC's operations.

As described in Note 3, JEDO has contracted with GO Topeka to provide services in support of JEDO's economic development program. GO Topeka returned approximately \$4.5 million to JEDO to provide financing of the ETLC project, and is classified as a return of funds in the financial statements. Using these funds, JEDO made the leverage loan to ETLC Investment Fund, a Delaware limited liability company, (the Fund) in the approximate amount of \$4.5 million with interest at 1% annually and scheduled to mature in 2053. The leverage loan is classified as an expense for economic development on the financial statements and the loan proceeds will be collected and accounted for by the Partnerships of Hope XXI, LLC, as noted below.

PNC New Markets Investment Partners, LLC, a Delaware limited liability company (PNC), made a capital contribution in the Fund in exchange for one hundred percent (100%) of Fund's membership equity interests.

Using PNC's capital contribution and JEDO's leverage loan, the Fund made the QEI, in accordance with the Internal Revenue Code of 1986 (the Code), in an amount equal to \$6.5 million to Partnerships of Hope XXI, LLC, a Missouri limited liability company (Partnerships) an affiliated Community Development Entity (CDE) of Raza Development Fund, Inc., a District of Columbia nonprofit corporation, which is eligible for NMTC in accordance with the Code.

Partnerships made certain loans to the Corporation in the aggregate original principal amount of \$6.5 million (collectively, the "QLICI Loans"), each of which is intended to constitute a Qualified Low Income Community Investment, as such term is used in Section 450 of the Code. Proceeds of the QLICI Loans will be used to fund ETLC and the payment to Washburn.

Note 5 - Subsequent Events

JEDO has evaluated subsequent events through May 6, 2020, the date the financial statements were available to be issued. None were identified that required adjustment to or disclosure in the financial statements.

As a result of significant disruption in the U.S. economy due to the outbreak of the COVID-19 coronavirus in 2020, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

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

To the Board of Directors
Joint Economic Development Organization
Shawnee County, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Joint Economic Development Organization (JEDO), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise JEDO's basic financial statements, and have issued our report thereon dated May 6, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered JEDO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JEDO's internal control. Accordingly, we do not express an opinion on the effectiveness of JEDO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

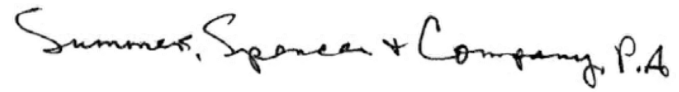
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JEDO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Summers, Spencer & Company, P.A." in a cursive, flowing script.

Summers, Spencer & Company, P.A.

Topeka, Kansas

May 6, 2020

JOINT ECONOMIC DEVELOPMENT ORGANIZATION
SHAWNEE COUNTY, KANSAS

REPORT TO THE BOARD OF DIRECTORS
DECEMBER 31, 2019

JOINT ECONOMIC DEVELOPMENT ORGANIZATION

**REPORT TO THE BOARD OF DIRECTORS
DECEMBER 31, 2019**

Table of Contents

Report to the Board of Directors:

Governance Letter

Signed Management Representation Letter

May 6, 2020

To the Board of Directors
Joint Economic Development Organization
Shawnee County, Kansas

We have audited the financial statements of the governmental activities and major fund of Joint Economic Development Organization (JEDO) for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 17, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by JEDO are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by JEDO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting JEDO's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Economic Development Program in Note 3 to the financial statements with discussion of the agreement with GO Topeka.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We assisted with the adjustments necessary in converting from the modified accrual basis of accounting used in the fund financial statements to the accrual basis of accounting used in the government-wide financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 6, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to JEDO's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

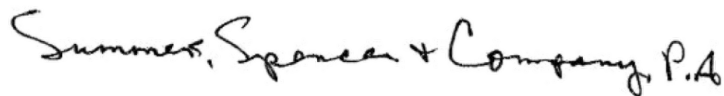
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as JEDO's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of JEDO and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Summers, Spencer & Company, P.A." The signature is written in a cursive, flowing style.

Summers, Spencer & Company. P.A.

Prepared by _____

**Joint Economic Development Organization
Adjusting Journal Entries**

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE01	Adjusting	12/31/19					
		3000	Restricted funds	665,213.49			
		4010	City of Topeka Sales Tax Revenue		665,213.49		
			Tie out beginning equity			665,213.49	M-1-1
		TOTAL		<u>665,213.49</u>	<u>665,213.49</u>	<u>665,213.49</u>	

May 6, 2020

Summers, Spencer & Company, P.A.
5825 SW 29th Street
Topeka, KS 66614

This representation letter is provided in connection with your audit of the financial statements of Joint Economic Development Organization, which comprise the respective financial position of the governmental activities and major fund as of December 31, 2019, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of May 6, 2020, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 17, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Organization is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.

- d) Minutes of the meetings of the Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves—
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 17) We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Organization has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of laws and regulations, provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior

management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

- 27) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Organization has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#) , as amended, and [GASBS No. 84](#) .
- 31) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 34) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

DocuSigned by:
Signature: Jessica Lamendola
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Title: Treasurer (JEDO 2019)



Agenda Item No. 3D

**JEDO Board Meeting
May 13, 2020**

**ACTION ITEM:
APPROVAL of Project Bond**

INCENTIVE AGREEMENT

This Incentive Agreement is effective _____, 2020, and is entered into between the following parties:

GO TOPEKA: GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

719 S. Kansas Ave., Suite 100
Topeka, KS 66603
Phone: (785) 234-2644
Fax: (785) 234-8656
Contact Person/Title: Molly Howey, Senior V.P., Economic Development

PROJECT BOND

WHEREAS, PROJECT BOND is a corporation that is in good standing and qualified to do business under the laws of the state of Kansas; and

WHEREAS, PROJECT BOND is contemplating investing approximately Five Million Dollars (\$5,000,000.00) to purchase real estate, construct improvements, and equip additional production space in Shawnee County, Kansas; and

WHEREAS, PROJECT BOND intends to expand its operations and, in the process, create seventy-five (75) full time jobs over the next approximately five (5) years; and

WHEREAS, GO TOPEKA desires to assist and promote PROJECT BOND by offering up to Four Hundred Twenty-Two Thousand Five Hundred Dollars (\$422,500.00) in employment, training and investment incentives; and

WHEREAS, PROJECT BOND acting in reliance upon the incentives set forth in this Agreement, has decided to maintain and expand its operations in Shawnee County, Kansas; and

WHEREAS, the parties wish to memorialize their understanding regarding the details of the incentive package through this legally enforceable contract.

WITNESSETH:

NOW, THEREFORE, in consideration of such mutual benefits and the mutual covenants and agreements expressed herein, the parties covenant and agree as follows:

1. Local Employment Incentive. GO TOPEKA agrees to provide to PROJECT BOND an employment incentive of up to Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500.00) (the “Employment Incentive”) for new Full Time Employment Positions created by PROJECT BOND over five (5) years, subject to the limitations and requirements outlined herein. The eligibility for Employment Incentive for a new Full Time Employment Position is based on annual employee compensation as follows:

I

- If the average annual compensation for a specific year is at least \$45,000 when averaged against all of the new full time employment positions, then each new full time employment position is eligible to receive \$4,500, paid in \$900 annual increments over five years.
- If the average annual compensation for a specific year is less than \$45,000 when averaged against all of the new full time employment positions, then only those new full time employment positions receiving compensation of at least \$45,000 will qualify for the \$4,500 incentive, paid in \$900 annual increments over five years.

Computation of the average annual compensation for the Full Time Employment positions eligible for incentive under this Agreement shall be calculated by GO TOPEKA on an annual basis upon receipt of PROJECT BOND’S documentation as required in Section 2 of this Agreement.

As used in this agreement, a “Full Time Employment Position” is an employee position that includes approximately 2080 paid hours of service in Shawnee County, Kansas, during each calendar year. For purposes of determining eligibility for Employment Incentives (and the amount thereof), compensation includes salary, bonuses or other cash incentives paid by PROJECT BOND to a full-time employee in a calendar year, but does not include benefits. Each position shall be eligible to receive health insurance benefits, at least part of the premiums of which are paid by PROJECT BOND, and paid time off. Nothing herein shall require that a Full Time Employment Position be held by the same person, nor shall this Agreement preclude PROJECT BOND from changing the title, purpose or utility of a position (as long as it meets the other requirements identified herein, including compensation). Each Full Time Employment

Position must be one in which PROJECT BOND withholds and pays all federal, state and local employment taxes attributable to the employee. More than one position cannot be aggregated to qualify for an Employment Incentive.

Only new Full Time Employment Positions shall be eligible for the Employment Incentive. A “new” Full Time Employment Position is an otherwise eligible Full Time Employment Position that is in excess of and in addition to the ___ Full Time Employees employed by PROJECT BOND as of December 27, 2019.

A Full Time Employment Position shall not fail to qualify for the Employment Incentive if the position is vacated (voluntarily or otherwise) and PROJECT BOND is undertaking an open and active search and such position is filled within one hundred eighty (180) days after the vacancy during the calendar year. If unfilled for longer than one hundred eighty (180) days during a calendar year, the position will cease to qualify as Full Time Employment Position and will not be eligible for an Employment Incentive for that year.

Notwithstanding anything to the contrary herein, a maximum Employment Incentive available hereunder shall not exceed Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500) in the aggregate. To qualify for the Employment Incentive, the Full Time Employment Positions must commence on or after December 27, 2019 and be hired and receiving compensation by December 31, 2024. The Employment Incentives shall not exceed Sixty-Seven Thousand Five Hundred Dollars (\$67,500) in any one calendar year.

GO TOPEKA will endeavor to make incentive payments according to the following schedule:

- New Full Time Employment Positions hired between December 27, 2019 and December 31, 2020 will be eligible to receive the first incentive payment installment in 2021;
- New Full Time Employment Positions hired between January 1, 2021 and December 31, 2021 will be eligible to receive the first incentive payment installment in 2022;
- New Full Time Employment Positions hired between January 1, 2022 and December 31, 2022 will be eligible to receive the first incentive payment installment in 2023;
- New Full Time Employment Positions hired between January 1, 2023 and December 31, 2023 will be eligible to receive the first incentive payment installment in 2024;
- New Full Time Employment Positions hired between January 1, 2024 and December 31, 2024 will be eligible to receive the first incentive payment installment in 2025;

provided, however, that PROJECT BOND must first provide GO TOPEKA with sufficient documentation relating to such employment levels (as required elsewhere herein). GO TOPEKA shall make all reasonable efforts to complete payment of all incentive payments within sixty (60) days of the receipt and verification of such sufficient documentation relating to employment levels.

The parties recognize there may be some turnover and fluctuations in PROJECT BOND's employment levels. Therefore, subject to the termination provision, a position may qualify for an Employment Incentive in one year after failing to qualify in a prior year.

For purposes of illustration, if PROJECT BOND hires throughout the period between December 27, 2019 and December 31, 2020 fifteen (15) new Full Time Employment Positions receiving compensation of at least \$45,000, it would be eligible to receive an Employment Incentive installment in the amount of \$13,500 (15 x \$900) in 2021 upon receipt and verification of appropriate documentation.

2. Employment Incentive Calculation Documentation. When and as reasonably requested by GO TOPEKA, PROJECT BOND shall provide GO TOPEKA with state and federal employment tax returns and/or other information reasonably necessary to establish employment levels in Shawnee County, Kansas, for purposes of calculating Employment Incentives and monitoring PROJECT BOND's performance hereunder. GO TOPEKA is granted the right to audit payroll and human resources records at any time during the term of this Agreement. GO TOPEKA is granted the right to reduce payments made to PROJECT BOND by amounts found to be improper, unauthorized or unsubstantiated. GO TOPEKA shall have sole authority in this regard and shall base its decision upon information submitted, including absence of documents to substantiate expenditure.

3. Employee Training Incentive. PROJECT BOND may earn an Employee Training Incentive in an amount not to exceed Seventy-Five Thousand Dollars (\$75,000.00) (the "Employee Training Incentive"). GO Topeka shall reimburse PROJECT BOND for verifiable training costs including, but not limited to, tuition, registration fees, computer software for in-house training and other direct training costs incurred from December 27, 2019 to December 31, 2024 in accordance with the following provisions. PROJECT BOND shall be eligible for up to One Thousand Dollars \$1,000 in Employee Training Incentive for each new Full Time Employment Position (as defined in Section 1 "Local Employment Incentive"), up to seventy-

five (75), created by PROJECT BOND. An Employee Training Incentive payment may be made to PROJECT BOND starting in 2021 for training costs incurred by any full time employee (new or existing) at PROJECT BOND from December 27, 2019 through December 31, 2020 upon proof of approved training expenses in the form of paid invoices, or other verifiable records confirming payment for approved training expenses. The amount of Employee Training Incentive available in a particular year will be based on new Full Time Employment Positions created by PROJECT BOND in the previous eligible year (for example, if PROJECT BOND created five (5) new Full Time Employment Positions in 2020, PROJECT BOND could receive a reimbursement of up to \$5,000 in 2021, for expenses incurred to train any existing or new full time employee). Payment for training expenses incurred shall be available on a yearly basis thereafter through 2025 based on the previous year's job creation and verifiable training costs. GO TOPEKA shall not reimburse PROJECT BOND for incidental costs associated with training such as travel expenses, meals, and lodging.

4. Real Estate and Equipment Investment Incentive. PROJECT BOND shall be eligible to receive up to Ten Thousand Dollars (\$10,000) in Real Estate and Equipment Investment Incentive for capital investment in real estate and equipment in accordance with the following provisions:

- PROJECT BOND may earn an incentive of One Thousand Dollars (\$1,000) for each Five Hundred Thousand Dollars (\$500,000) in capital investment with the maximum incentive being Ten Thousand Dollars (\$10,000) which equates to Five Million Dollars (\$5,000,000) in capital investment.
- Capital investment shall include the purchase of property located in Shawnee County, Kansas, including associated transaction costs, the improvement (construction/renovation) of such property, and the purchase of equipment to be utilized at such property.
- The Real Estate and Equipment Investment Incentive payments shall be made to PROJECT BOND upon GO TOPEKA's receipt of closing documents showing the purchase of the real estate along with any and all appropriate documentary evidence showing further capital investment in the real estate for the construction or renovation of improvements thereon and the purchase of said equipment.

5. **Use of Funds.** The funds received by PROJECT BOND pursuant hereto shall be used for the purpose of purchasing and improving real estate and equipment in Shawnee County, Kansas and for the employment and training of persons to be employed in Shawnee County, Kansas.

6. **Termination.** If PROJECT BOND fails to maintain at least a minimum of _____ Full Time Employment Position in Shawnee County, Kansas, in any calendar year, between December 27, 2019 and December 31, 2024, (which is the last year in which to qualify for an Employment Incentive), this Agreement shall be deemed terminated and GO TOPEKA shall not be required to make any further Employment, Training or Real Estate Incentive Payments to PROJECT BOND under this Agreement.

7. **Notices.** Any notices required or permitted to be given pursuant to this Agreement may be delivered in person or mailed, certified mail, return receipt requested, to the addresses identified above.

8. **Miscellaneous.** The following miscellaneous provisions shall apply to this Agreement:

a. PROJECT BOND agrees to make every reasonable effort to use, if qualified, Shawnee County residents to fill the new Full Time Employment Positions in Shawnee County, Kansas.

b. PROJECT BOND shall provide prompt advance notice to GO TOPEKA of any material change in PROJECT BOND's ownership, control or management, including issues of insolvency or bankruptcy, or other material changes that could reasonably result in a default by PROJECT BOND under any agreement to which it is a party related to the matters set forth herein, or a change in the Full Time Employment Positions maintained in Shawnee County, Kansas.

c. PROJECT BOND agrees to participate in a public event with GO TOPEKA in Shawnee County, Kansas, celebrating the employment expansion contemplated by this Agreement. Such event would include general recognition of JEDO's and GO TOPEKA's involvement in the project.

d. This writing contains the entire agreement reached between the parties hereto with respect to the subject matter hereof, and may be amended only in writing, duly executed by all parties concerned.

e. This Agreement shall be interpreted under the laws of the State of Kansas, with venue being solely in the state District Court of Shawnee County, Kansas. In the event any provision is found to be unenforceable or unconstitutional, all other provisions shall remain in full force and effect.

f. Time is of the essence of this Agreement.

g. By signing this Agreement, the parties affirm that they have the authority of their respective corporations to enter into this Agreement and bind their respective entities.

h. This Agreement shall bind and inure to the benefit of the parties to this Agreement, their heirs, legal representatives, assignees, transferors and successors.

i. No failure by a party to insist on prompt performance by the other party of its obligations hereunder shall constitute a waiver of rights under the Agreement. Similarly, the waiver by a party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

j. This Agreement may be executed in counterparts, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one agreement, which shall be binding upon and effective as to all parties.

k. The parties acknowledge and agree that PROJECT BOND shall not assign, transfer, hypothecate or otherwise encumber this Agreement and its rights hereunder, without the prior written approval of GO TOPEKA.

l. Sarbanes-Oxley and similar legislation may have application to, or affect the accounting for, this Agreement by PROJECT BOND.

m. GO TOPEKA makes no representation as to the taxability or tax effect of this Agreement and the incentive payments hereunder.

n. GO TOPEKA's obligations hereunder are contingent upon approval hereof by the Joint Economic Development Organization ("JEDO") and the continued funding of GO TOPEKA at adequate levels through a portion of the Shawnee County retailer's sales tax and/or by JEDO. GO TOPEKA may unilaterally reduce or eliminate any payments hereunder in the event that sufficient funds are not available (taking into account GO TOPEKA's other obligations). GO TOPEKA will endeavor to give PROJECT BOND advance notice of any reduction of funds when practical. PROJECT BOND agrees and understands that if there are not sufficient funds appropriated or available to GO TOPEKA to continue to make any payments

hereunder (taking into account GO TOPEKA's other obligations), GO TOPEKA may terminate this Agreement with written notice of termination to PROJECT BOND. The reduction or elimination of any payments, and/or termination of this Agreement pursuant to this paragraph, shall not cause any penalty or damages to be charged to GO TOPEKA and PROJECT BOND waives and releases any rights, causes of action or claims it may have should such insufficiency of funds occur.

o. In carrying out the terms and provisions of this agreement, PROJECT BOND shall not unlawfully discriminate against any employee, applicant for employment, recipient of service or applicant to receive or provide services because of race, color, religion, sex, age, disability, national origin or any other status protected by applicable federal or state law or local ordinance.

p. PROJECT BOND agrees to make a good faith effort to provide relocating information to existing employees, and/or new employees with information/relocation materials regarding Topeka and Shawnee County, that support and promote residency within the Topeka/Shawnee County limits. Annual reporting of these efforts shall be provided to GO TOPEKA during the incentivized period defined in this Agreement.

q. Every duty, right, or obligation contained in this Agreement imposes an obligation of good faith in its performance or enforcement. For the purposes of the Agreement, "good faith" dealing means honesty in fact in the conduct or the transaction concerned.

r. Nothing herein contained shall be construed or held to make any party a partner, joint venture or associate of another party in the conduct of its business, nor shall either party be deemed the agent of the other, it being expressly understood and agreed that the relationship between the Parties hereto is and shall at all times remain contractual as provided by the terms and conditions of this Agreement.

s. The parties agree to execute and deliver such other documents, agreements or instruments as may be necessary or convenient to effect the purposes of this Agreement and to comply with any of the terms hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

“PROJECT BOND”

By: _____

“GO TOPEKA”

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

By: _____

Print Name: Molly Howey

Title: President



Agenda Item No. 3E

**JEDO Board Meeting
May 13, 2020**

**ACTION ITEM:
APPROVAL of Project Spark**

INCENTIVE AGREEMENT

This Incentive Agreement is effective _____, 2020, and is entered into between the following parties:

GO TOPEKA: GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

719 S. Kansas Ave., Suite 100
Topeka, KS 66603
Phone: (785) 234-2644
Fax: (785) 234-8656
Contact Person/Title: Molly Howey, Senior V.P., Economic Development

PROJECT SPARK

WHEREAS, PROJECT SPARK is a corporation that is in good standing and qualified to do business under the laws of the state of Kansas; and

WHEREAS, PROJECT SPARK is contemplating investing approximately Six Million Dollars (\$6,000,000.00) to purchase real estate, construct improvements, and equip additional production space in Shawnee County, Kansas; and

WHEREAS, PROJECT SPARK intends to expand its operations and, in the process, create one hundred sixty-seven (167) full time jobs over the next approximately five (5) years; and

WHEREAS, GO TOPEKA desires to assist and promote PROJECT SPARK by offering up to Eight Hundred Forty-Seven Thousand Dollars (\$847,000.00) in employment, training and investment incentives; and

WHEREAS, PROJECT SPARK acting in reliance upon the incentives set forth in this Agreement, has decided to maintain and expand its operations in Shawnee County, Kansas; and

WHEREAS, the parties wish to memorialize their understanding regarding the details of the incentive package through this legally enforceable contract.

WITNESSETH:

NOW, THEREFORE, in consideration of such mutual benefits and the mutual covenants and agreements expressed herein, the parties covenant and agree as follows:

1. Local Employment Incentive. GO TOPEKA agrees to provide to PROJECT SPARK an employment incentive of up to Six Hundred Sixty-Eight Thousand Dollars (\$668,000) (the “Employment Incentive”) for new Full Time Employment Positions created by PROJECT SPARK over five (5) years, subject to the limitations and requirements outlined herein. The eligibility for Employment Incentive for a new Full Time Employment Position is based on annual employee compensation as follows:

- If the average annual compensation for a specific year is at least \$40,000 when averaged against all of the new full time employment positions, then each new full time employment position is eligible to received \$4,000, paid in \$800 annual increments over five years.
- If the average annual compensation for a specific year is less than \$40,000 when averaged against all of the new full time employment positions, then only those new full time employment positions receiving compensation of at least \$40,000 will qualify for the \$4,000 incentive, paid in \$800 annual increments over five years.

Computation of the average annual compensation for the Full Time Employment positions eligible for incentive under this Agreement shall be calculated by GO TOPEKA on an annual basis upon receipt of PROJECT SPARK’S documentation as required in Section 2 of this Agreement.

As used in this agreement, a “Full Time Employment Position” is an employee position that includes approximately 2080 paid hours of service in Shawnee County, Kansas, during each calendar year. For purposes of determining eligibility for Employment Incentives (and the amount thereof), compensation includes salary, bonuses or other cash incentives paid by PROJECT SPARK to a full-time employee in a calendar year, but does not include benefits. Each position shall be eligible to receive health insurance benefits, at least part of the premiums of which are paid by PROJECT SPARK, and paid time off. Nothing herein shall require that a Full Time Employment Position be held by the same person, nor shall this Agreement preclude PROJECT SPARK from changing the title, purpose or utility of a position (as long as it meets the other requirements identified herein, including compensation). Each Full Time Employment Position must be one in which PROJECT SPARK withholds and pays all federal, state and local

employment taxes attributable to the employee. More than one position cannot be aggregated to qualify for an Employment Incentive.

Only new Full Time Employment Positions shall be eligible for the Employment Incentive. A “new” Full Time Employment Position is an otherwise eligible Full Time Employment Position that is in excess of and in addition to the ___ Full Time Employees employed by PROJECT SPARK as of January 24, 2020.

A Full Time Employment Position shall not fail to qualify for the Employment Incentive if the position is vacated (voluntarily or otherwise) and PROJECT SPARK is undertaking an open and active search and such position is filled within one hundred eighty (180) days after the vacancy during the calendar year. If unfilled for longer than one hundred eighty (180) days during a calendar year, the position will cease to qualify as Full Time Employment Position and will not be eligible for an Employment Incentive for that year.

Notwithstanding anything to the contrary herein, a maximum Employment Incentive available hereunder shall not exceed Six Hundred Sixty-Eight Thousand Dollars (\$668,000) in the aggregate. To qualify for the Employment Incentive, the Full Time Employment Positions must commence on or after January 24, 2020 and be hired and receiving compensation by January 23, 2025. The Employment Incentives shall not exceed One Hundred Thirty-Three Thousand Six Hundred Dollars (\$133,600) in any one calendar year.

GO TOPEKA will endeavor to make incentive payments according to the following schedule:

- New Full Time Employment Positions hired between January 24, 2020 and December 31, 2020 will be eligible to receive the first incentive payment installment in 2021;
- New Full Time Employment Positions hired between January 1, 2021 and December 31, 2021 will be eligible to receive the first incentive payment installment in 2022;
- New Full Time Employment Positions hired between January 1, 2022 and December 31, 2022 will be eligible to receive the first incentive payment installment in 2023;
- New Full Time Employment Positions hired between January 1, 2023 and December 31, 2023 will be eligible to receive the first incentive payment installment in 2024;
- New Full Time Employment Positions hired between January 1, 2024 and January 23, 2025 will be eligible to receive the first incentive payment installment in 2025;

provided, however, that PROJECT SPARK must first provide GO TOPEKA with sufficient documentation relating to such employment levels (as required elsewhere herein). GO TOPEKA shall make all reasonable efforts to complete payment of all incentive payments within sixty (60) days of the receipt and verification of such sufficient documentation relating to employment levels.

The parties recognize there may be some turnover and fluctuations in PROJECT SPARK's employment levels. Therefore, subject to the termination provision, a position may qualify for an Employment Incentive in one year after failing to qualify in a prior year.

For purposes of illustration, if PROJECT SPARK hires throughout the period between January 24, 2020 and December 31, 2020 thirty-three (33) new Full Time Employment Positions receiving compensation of at least \$40,000, it would be eligible to receive an Employment Incentive installment in the amount of \$26,400 (33 x \$800) in 2021 upon receipt and verification of appropriate documentation.

2. Employment Incentive Calculation Documentation. When and as reasonably requested by GO TOPEKA, PROJECT SPARK shall provide GO TOPEKA with state and federal employment tax returns and/or other information reasonably necessary to establish employment levels in Shawnee County, Kansas, for purposes of calculating Employment Incentives and monitoring PROJECT SPARK's performance hereunder. GO TOPEKA is granted the right to audit payroll and human resources records at any time during the term of this Agreement. GO TOPEKA is granted the right to reduce payments made to PROJECT SPARK by amounts found to be improper, unauthorized or unsubstantiated. GO TOPEKA shall have sole authority in this regard and shall base its decision upon information submitted, including absence of documents to substantiate expenditure.

3. Employee Training Incentive. PROJECT SPARK may earn an Employee Training Incentive in an amount not to exceed One Hundred Sixty-Seven Thousand Dollars (\$167,000.00) (the "Employee Training Incentive"). GO Topeka shall reimburse PROJECT SPARK for verifiable training costs including, but not limited to, tuition, registration fees, computer software for in-house training and other direct training costs incurred from January 24, 2020 to January 23, 2025 in accordance with the following provisions. PROJECT SPARK shall be eligible for up to One Thousand Dollars \$1,000 in Employee Training Incentive for each new Full Time Employment Position (as defined in Section 1 "Local Employment Incentive"), up to

one hundred sixty-seven (167), created by PROJECT SPARK. An Employee Training Incentive payment may be made to PROJECT SPARK starting in 2021 for training costs incurred by any full time employee (new or existing) at PROJECT SPARK after January 24, 2020 upon proof of approved training expenses in the form of paid invoices, or other verifiable records confirming payment for approved training expenses. The amount of Employee Training Incentive available in a particular year will be based on new Full Time Employment Positions created by PROJECT SPARK in the previous eligible year (for example, if PROJECT SPARK created thirty-three (33) new Full Time Employment Positions in 2020, PROJECT SPARK could receive a reimbursement of up to \$33,000 in 2021, for expenses incurred to train any existing or new full time employee). Payment for training expenses incurred shall be available on a yearly basis thereafter through January 23, 2025 based on the previous year's job creation and verifiable training costs. GO TOPEKA shall not reimburse PROJECT SPARK for incidental costs associated with training such as travel expenses, meals, and lodging.

4. Real Estate and Equipment Investment Incentive. PROJECT SPARK shall be eligible to receive up to Twelve Thousand Dollars (\$12,000) in Real Estate and Equipment Investment Incentive for capital investment in real estate and equipment in accordance with the following provisions:

- PROJECT SPARK may earn an incentive of One Thousand Dollars (\$1,000) for each Five Hundred Thousand Dollars (\$500,000) in capital investment with the maximum incentive being Twelve Thousand Dollars (\$12,000) which equates to Six Million Dollars (\$6,000,000) in capital investment.
- Capital investment shall include the purchase of property located in Shawnee County, Kansas, including associated transaction costs, the improvement (construction/renovation) of such property, and the purchase of equipment to be utilized at such property.
- The real estate and equipment investment incentive payments shall be made to PROJECT SPARK upon GO TOPEKA's receipt of closing documents showing the purchase of the real estate along with any and all appropriate documentary evidence showing further capital investment in the real estate for the construction or renovation of improvements thereon and the purchase of said equipment.

5. **Use of Funds.** The funds received by PROJECT SPARK pursuant hereto shall be used for the purpose of purchasing and improving real estate and equipment in Shawnee County, Kansas and for the employment and training of persons to be employed in Shawnee County, Kansas.

6. **Termination.** If PROJECT SPARK fails to maintain at least a minimum of _____ Full Time Employment Position in Shawnee County, Kansas, in any calendar year, between January 24, 2020 and January 23, 2025, (which is the date to qualify for an Employment Incentive), this Agreement shall be deemed terminated and GO TOPEKA shall not be required to make any further Employment, Training or Real Estate Incentive Payments to PROJECT SPARK under this Agreement.

7. **Notices.** Any notices required or permitted to be given pursuant to this Agreement may be delivered in person or mailed, certified mail, return receipt requested, to the addresses identified above.

8. **Miscellaneous.** The following miscellaneous provisions shall apply to this Agreement:

a. PROJECT SPARK agrees to make every reasonable effort to use, if qualified, Shawnee County residents to fill the new Full Time Employment Positions in Shawnee County, Kansas.

b. PROJECT SPARK shall provide prompt advance notice to GO TOPEKA of any material change in PROJECT SPARK's ownership, control or management, including issues of insolvency or bankruptcy, or other material changes that could reasonably result in a default by PROJECT SPARK under any agreement to which it is a party related to the matters set forth herein, or a change in the Full Time Employment Positions maintained in Shawnee County, Kansas.

c. PROJECT SPARK agrees to participate in a public event with GO TOPEKA in Shawnee County, Kansas, celebrating the employment expansion contemplated by this Agreement. Such event would include general recognition of JEDO's and GO TOPEKA's involvement in the project.

d. This writing contains the entire agreement reached between the parties hereto with respect to the subject matter hereof, and may be amended only in writing, duly executed by all parties concerned.

e. This Agreement shall be interpreted under the laws of the State of Kansas, with venue being solely in the state District Court of Shawnee County, Kansas. In the event any provision is found to be unenforceable or unconstitutional, all other provisions shall remain in full force and effect.

f. Time is of the essence of this Agreement.

g. By signing this Agreement, the parties affirm that they have the authority of their respective corporations to enter into this Agreement and bind their respective entities.

h. This Agreement shall bind and inure to the benefit of the parties to this Agreement, their heirs, legal representatives, assignees, transferors and successors.

i. No failure by a party to insist on prompt performance by the other party of its obligations hereunder shall constitute a waiver of rights under the Agreement. Similarly, the waiver by a party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

j. This Agreement may be executed in counterparts, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one agreement, which shall be binding upon and effective as to all parties.

k. The parties acknowledge and agree that PROJECT SPARK shall not assign, transfer, hypothecate or otherwise encumber this Agreement and its rights hereunder, without the prior written approval of GO TOPEKA.

l. Sarbanes-Oxley and similar legislation may have application to, or affect the accounting for, this Agreement by PROJECT SPARK.

m. GO TOPEKA makes no representation as to the taxability or tax effect of this Agreement and the incentive payments hereunder.

n. GO TOPEKA's obligations hereunder are contingent upon approval hereof by the Joint Economic Development Organization ("JEDO") and the continued funding of GO TOPEKA at adequate levels through a portion of the Shawnee County retailer's sales tax and/or by JEDO. GO TOPEKA may unilaterally reduce or eliminate any payments hereunder in the event that sufficient funds are not available (taking into account GO TOPEKA's other obligations). GO TOPEKA will endeavor to give PROJECT SPARK advance notice of any reduction of funds when practical. PROJECT SPARK agrees and understands that if there are not sufficient funds appropriated or available to GO TOPEKA to continue to make any payments

hereunder (taking into account GO TOPEKA's other obligations), GO TOPEKA may terminate this Agreement with written notice of termination to PROJECT SPARK. The reduction or elimination of any payments, and/or termination of this Agreement pursuant to this paragraph, shall not cause any penalty or damages to be charged to GO TOPEKA and PROJECT SPARK waives and releases any rights, causes of action or claims it may have should such insufficiency of funds occur.

o. In carrying out the terms and provisions of this agreement, PROJECT SPARK shall not unlawfully discriminate against any employee, applicant for employment, recipient of service or applicant to receive or provide services because of race, color, religion, sex, age, disability, national origin or any other status protected by applicable federal or state law or local ordinance.

p. PROJECT SPARK agrees to make a good faith effort to provide relocating information to existing employees, and/or new employees with information/relocation materials regarding Topeka and Shawnee County, that support and promote residency within the Topeka/Shawnee County limits. Annual reporting of these efforts shall be provided to GO TOPEKA during the incentivized period defined in this Agreement.

q. Every duty, right, or obligation contained in this Agreement imposes an obligation of good faith in its performance or enforcement. For the purposes of the Agreement, "good faith" dealing means honesty in fact in the conduct or the transaction concerned.

r. Nothing herein contained shall be construed or held to make any party a partner, joint venture or associate of another party in the conduct of its business, nor shall either party be deemed the agent of the other, it being expressly understood and agreed that the relationship between the Parties hereto is and shall at all times remain contractual as provided by the terms and conditions of this Agreement.

s. The parties agree to execute and deliver such other documents, agreements or instruments as may be necessary or convenient to effect the purposes of this Agreement and to comply with any of the terms hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

“PROJECT SPARK”

By: _____

“GO TOPEKA”

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

By: _____

Print Name: Molly Howey

Title: President



Agenda Item No. 4B

**JEDO Board Meeting
May 13, 2020**

PRESENTATION:
Go Topeka First Quarter Report

FIRST
QUARTER
REPORT
2020







GO TOPEKA

785.234.2644

GOTopeka.com

719 S Kansas Ave. Ste. 100
Topeka, KS 66603

LEFT AND BELOW PHOTO:

Left: A young entrepreneur attends the Plug and Play Innovation Summit on March 3, 2020 at Security benefit and interacts with local and regional AgTech and animal health fields.

Below: Saeed Amidi, founder and CEO of Plug and Play, kicked off our Plug and Play Innovation Summit where 200 leaders in the animal health and AgTech field talk about the future of the industry.



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4	TOPEKA & SHAWNEE COUNTY MOMENTUM SCORECARD	
6	BUSINESS ATTRACTION	
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8	WOMEN & MINORITY BUSINESS DEVELOPMENT	
9	KANSAS PTAC	
10	INNOVATION & ENTREPRENEURSHIP	
11	712 INNOVATION	
12	WORKFORCE & TALENT	
13	INCLUDED & SCHOLARSHIPS SOTO & NETO	
14	CHOOSE TOPEKA	
15	BOARD OF DIRECTORS	

KEY

Momentum 2022 focuses on five key elements to make Topeka & Shawnee County a better place to live, work, play and do business.



Develop Homegrown Talent



Create Vibrant & Attractive Places



Grow a Diverse Economy



Promote a Positive Image



Collaborate for a Strong Community

TOPEKA & SHAWNEE COUNTY VITAL STATS

Updated 01-30-2020



DEVELOP HOMEGROWN TALENT

GRADUATION RATE

STATE OF KANSAS
87.5%

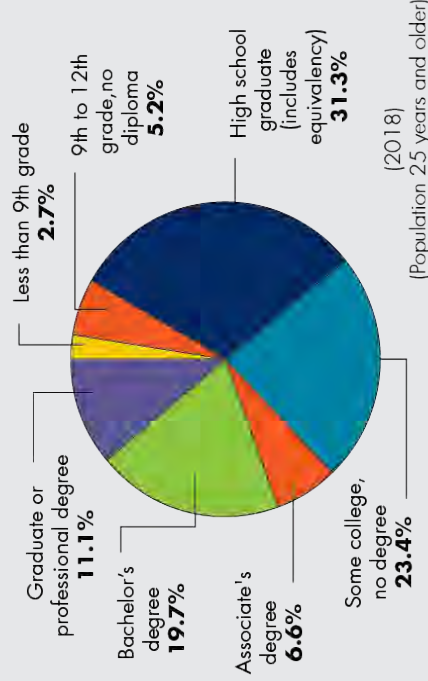
SHAWNEE COUNTY
88.3%

Four-year adjusted cohort formula
(all Schools 2017-2018) (1)

STUDENT-LEVEL METRICS (2019)



EDUCATIONAL ATTAINMENT



CERTIFICATES EARNED

1,251

(Less than a 2-year degree)
(2018)



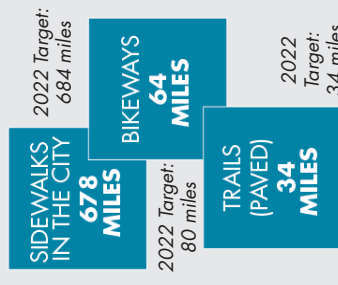
CREATE VIBRANT & ATTRACTIVE PLACES

LIVABILITY

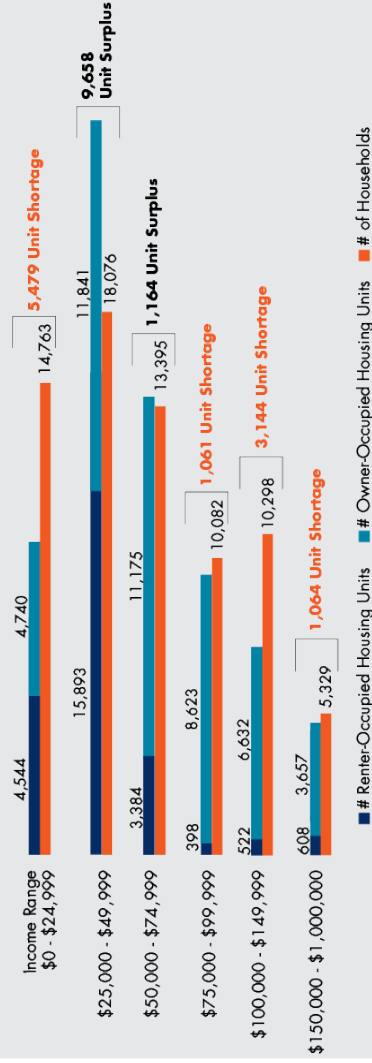
This score rates the overall livability of Shawnee County on a scale from 0 to 100. It is based on the average score of seven livability categories—housing, neighborhood, transportation, environment, health, engagement, and opportunity—which also range from 0 to 100.



PEDESTRIAN FRIENDLINESS (2019)



AFFORDABLE HOUSING (2018)



ATTENDANCE AT ATTRACTIONS (2018)

716,779
PEOPLE

Total attendance of the following Shawnee County Attractions:
Tapoka Zoo, KS Children's Discovery Center, TPAC, Old Prairie Town, KS State Capitol, ICT, Sunflower Soccer, Mulvane Art Museum, Brown vs Board NHS, Evel Knievel Museum, Museum of KS Nat'l Guard, Combat Air Museum, Jayhawk Theater, Ritchie House, Great Overland Station

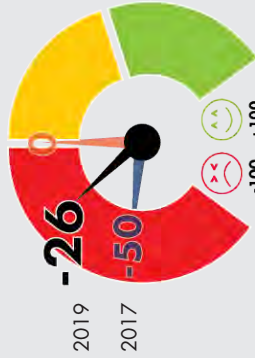
*The analysis does not account for age or quality of housing units, and there is the possibility that upper income households are likely outcompeting lower income households for the same housing units.

2022 Target: 750,000 people

PROMOTE A POSITIVE IMAGE

NET PROMOTER SCORE (NPS)

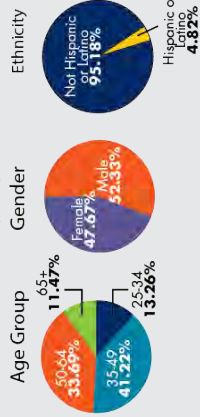
An index ranging from -100 to 100 that measures the willingness of customers to recommend a product or experience to others.



2022 Target: 0 NPS

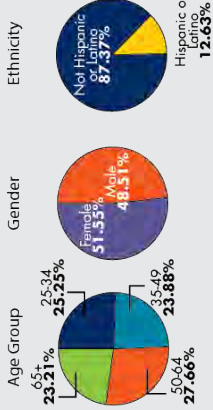
COLLABORATE FOR STRONG COMMUNITY

NON-PROFIT BOARD DIVERSITY (2018) (7)

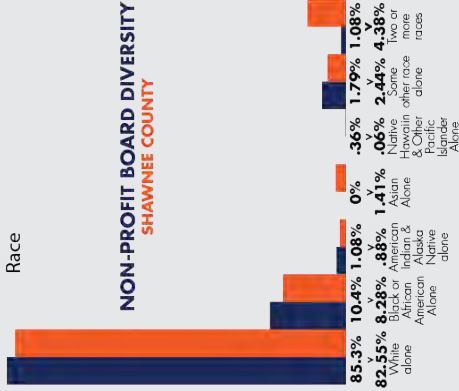


It is intended that non-profit boards are reflective of the community as a whole. To that end, the graphs above should mirror the graphs at right.

CURRENT SHAWNEE COUNTY DEMOGRAPHICS



NON-PROFIT BOARD DIVERSITY SHAWNEE COUNTY



PHYSICAL AND MENTAL HEALTH (2019)



Average number of physically/mentally unhealthy days reported in past 30 days (age-adjusted)

2022 Target: 2.7 Physical | 3.2 Mental

INFANT MORTALITY RATE (2019)



GROW A DIVERSE ECONOMY

SHARE OF EMPLOYMENT AT NEW BUSINESSES



(New business is any that has been open less than five years)(2017 Q4) (8)

2022 Target: 7,093 people

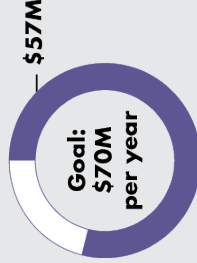
ANNUAL MEDIAN WAGE IN TOPEKA



(2019 MSA) (6)

2022 Target: \$39,000

PRIVATE CAPITAL INVESTMENT (2019) (7)



2022 Target: \$350M

TOTAL PRIVATE JOBS



(July 2019)
(Private = Non-Government Jobs) (5)

2022 Target: 79,000 jobs

GLOBAL METRICS

GDP OF DOLLARS (10)



Gross domestic product (GDP) is equal to the sum of personal consumption expenditures, gross private domestic investment, net exports of goods and services, and government consumption expenditures and gross investment.



2022 Target: \$11.500 GDP in billions of current dollars

NUMBER OF PEOPLE WORKING, BUT NOT LIVING IN SHAWNEE COUNTY (2017) (8)



2022 Target: 33%

PER CAPITA INCOME IN SHAWNEE COUNTY (2018) (10)



2022 Target: \$50,000

STUDENTS ELIGIBLE FOR FREE OR REDUCED LUNCHES



(1)

2022 Target: 48%

POVERTY RATE IN SHAWNEE COUNTY (2018) (11)



2022 Target: 10%

All metrics refer to Shawnee County unless otherwise stated.
Sources: 1 Kansas State Department of Education, 2 U.S. Census Bureau, ACS 5-Year Estimates, 3 AARP Livability Index, 4 City of Topeka Planning Department, 5 Quarterly Census of Employment and Wages, 6 Occupational Employment Statistics, 7 Momentum 2022 Survey, 8 U.S. Census Bureau, Longitudinal Employer-Household Dynamics, 9 County Health Ranking, 10 Bureau of Economic Analysis, 11 U.S. Census Bureau, Small Area Income and Poverty Estimates

PROVIDED BY



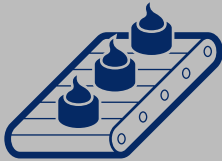
BUSINESS ATTRACTION



Grow a
Diverse
Economy

Project Choose and Project URBN have continued to show a strong interest in growing and expanding their organizations in Topeka and Shawnee County. In 2020 alone these companies have made five different site visits to our community, each with a unique purpose to help drive their decision towards a new location. Meetings could consist of the following; in person tours of potential sites for development, discussions with state, city, and county officials to understand the general business climate in the area, meetings with industry peers in the community, discussions with Washburn Tech and other educational resources to discuss future workforce, and many more pending the scope of the project.

18 PROJECTS YEAR TO DATE



BIO TECH

2



MANUFACTURING

9



DISTRIBUTION

6



SERVICE
CENTERS

1

30 PROJECTS IN THE PIPELINE



2,150
POTENTIAL JOBS



YEAR TO DATE
SITE VISITS

5





Grow a
Diverse
Economy

RETENTION & EXPANSION

3 PROJECTS TO DATE



275
NEW JOBS



\$42.2
CAPITAL
INVESTMENT

PROJECT PRINCE

\$31.4M
Capital Investment

33
New Jobs

\$56,000
Average Wage

\$495M
Economic Impact

504%
ROI

PROJECT BOND

\$5M
Capital Investment

75
New Jobs

\$45,000
Average Wage

\$208M
Economic Impact

92%
ROI

PROJECT SPARK

\$6M
Capital Investment

167
New Jobs

\$40,000
Average Wage

\$400M
Economic Impact

68%
ROI

All economic impact numbers are based on a 10 year calculation. 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 and presented to JEDO for approval at a later meeting.



WOMEN & MINORITY BUSINESS DEVELOPMENT



Grow a Diverse Economy



Collaborate for a Strong Community

FASTTRAC NEW VENTURE



STUDENTS GRADUATED

Through Q1 of 2020

7

LIFE OF PROGRAM

756

THA PROJECT



TRAINING

DESIGN

DELAY IN OPENING SITE

FIRST OPPORTUNITY FUND

\$90,000

2 LOANS AWARDED
3 APPLICATIONS



3

SMALL BUSINESS EXPANSIONS

THE MILESTONE

NORSEMEN

HAPPY BASSET

SMALL BUSINESS INCENTIVES



INCENTIVES ISSUED, AMOUNT



INCENTIVES ISSUED, #

Through Q1 OF 2020

\$109,729

39

LIFE OF PROGRAM

\$1.22M

390

8

NEW BUSINESS

18

EXISTING BUSINESS

Some companies may have been awarded more than one incentive.

INCENTIVE TYPES



CONSTRUCTION

7



TRAINING

2



MARKETING

18



EQUIPMENT

12

JOBS IMPACTED

29

FULL TIME

40

PART-TIME

69

TOTAL





Grow a
Diverse
Economy

KANSAS PTAC

(PROCUREMENT TECHNICAL ASSISTANCE CENTER)



NEW
CLIENTS
18



COUNSELING
HOURS
112



FEDERAL
CONTRACT
AWARDS
10

This Procurement Technical Assistance Center is funded in part through a cooperative agreement with the Defense Logistics Agency. It is funded additionally by Wichita State University, Pittsburg State University, GO Topeka, and Johnson County Community College. As a federally supported program it runs on a unique Fiscal Year starting Feb 1. The information captured on this report covers 1 FEB to 31 MAR.

TOTAL CONTRACT AWARDS FOR KS PTAC SUB-CENTER TOPEKA

(Service area covers 26 counties in NE KS)

\$ 324,992 = FEDERAL
\$ 0 = STATE & LOCAL
\$ 0 = SUBCONTRACTS

\$ 324,992 TOTAL AWARDS

KS PTAC attended the APTAC Conference in Chicago from March 7-12. It was there that we started hearing rumblings of Covid-19 and what was coming for our small business owners. Since then, KS PTAC has positioned to guiding clients as they navigate these unprecedented times. Allowing our clients to maintain contract continuity or address issues where a stop work order or remote work has been issued. Our Topeka Sub-center has participated in numerous calls in support of small businesses including calls hosted by the White House. The information gained has been shared with the community at large and can be found at supporttopeka.com.

RETURN ON INVESTMENT (ROI)

FOR EVERY \$1 JEDO INVESTS, TOPEKA PTAC SUB-CENTERS GENERATES



\$3.87

(This will increase as small businesses win contracts. Last year it grew to a \$282:\$1 return.)

JEDO was requested to invest \$66,689 in the KS PTAC program this year, a reduction by 4.73% from the previous year due to the program match commitment set by the Defense Logistics Agency (DLA). This is the number that is used to base the ROI number on.



INNOVATION & ENTREPRENEURSHIP



Grow a
Diverse
Economy

The Covid-19 threat has created dire circumstances for many businesses, startups, corporations, non-profits, entrepreneurs and innovators. As serious and sometimes tragic as the implications are, the necessity to pivot, to survive and to thrive under completely new conditions is often the catalyst for never-seen-before innovation. It is a rallying cry to come together and create REAL solutions for REAL life-and-death situations – quickly and cheaply. Never in our lifetime have we had a pandemic with global reach as we have today, but never have we had the opportunities that come with the digitization of our economy that we have experienced over the last decade. At the Partnership, we are not skipping a beat. We are meeting virtually, raising coffee cups to put a smile on the faces of our team members, connecting to resources in Topeka, the region, the country and the world with a click of a button or with dialing a number. Right here. Right now.

Every day, we speak with entrepreneurs who create new ways to make our lives better, safer and sometimes more fun. From the local company retooling their manufacturing process to making hand sanitizer to our partner in Manhattan prototyping shield masks that are being tested at a local health system as you read this message, Kansas entrepreneurs shine with their ingenuity. We have fostered a vibrant community of entrepreneurs and innovators that are coming together now to help each other.

And, with the work we have accomplished over the last year we have positioned Topeka to be that hub and connector for the region that we set out to be. We are working closely with our friends at Plug and Play as they are launching their COVID-19 accelerator program in Silicon Valley, joining organizations that respond on a global scale with products and services that help minimize the number of victims. Topeka can play its part in finding a solution as part of this global community.

As we are building our animal health/ag tech accelerator program here in Topeka, the spotlight that shines on the nation's food supply chain and food safety right at this moment cannot be underestimated. On March 3, Topeka co-hosted Plug and Play's kick-off event "The Future of Animal Health & Ag Tech". Nearly 150 industry leaders, startups, venture capital funds and universities were in attendance. Special guest Saeed Amidi, CEO and Founder of Plug and Play, expressed his excitement about the newest location: "It's incredible to be here... We cannot do this alone, we need to have the universities involved, we need to have the corporates involved. We need to have angel investors... I really think we can help over 100 startups per year here and then connect them to Silicon Valley for additional funding and help them grow." Watch the recording of the entire event at <https://tinyurl.com/umkhvj>. Topeka looks forward to launching the animal health/ag tech accelerator program powered by Plug and Play later this year.





Grow a
Diverse
Economy

712 INNOVATIONS

COWORK | INCUBATOR

WHEELHOUSE INCUBATOR

On March 9, seven scalable-business owners began the twelve-week Wheelhouse Incubator program to strengthen their business growth goals and contribute to Topeka/Shawnee County's economic development. The Spring 2020 Wheelhouse Cohort includes: Curb Appeal Power Wash LLC - Jake Taylor, Dirty Girl Adventures LLC - Denise Koch and Jennifer Woerner, Morning Light Kombucha – Melinda Williamson, Customized Authentic Necessities LLC – Cheryl Newton, Paper June LLC – Angie Grau, Unique Solutions Services - Jason Garland, Kitchen, and Bath Solutions Inc, Randy Harris.

Wheelhouse Incubator Cohort Sessions on learning business-centric objectives, e.g., leadership, sales, business plan, marketing support founders in making decisions, and taking action on growth goals. The real secret sauce is the one-on-one mentorship provided by our Topeka Mentors. A massive thanks go to this cohort's mentors: Tim Clothier, Kristen O'Shea, Chris Perry, Alicia VanWalleghem, Angel Zimmerman.

1 MILLION CUPS TOPEKA

The event which features presentations by entrepreneurs telling the story of their business transitioned from a once a month event to weekly on February 5th. A Kauffman Foundation program lead by a volunteer Topeka Team is free and open to the public every Wednesday, 9-10 a.m.

The 2019 organizing team would also like to thank the sponsors, PT's Coffee and CoreFirst Bank & Trust, for their generous support of the program.

KANSAS ENTREPRENEURSHIP CHALLENGE

712 Innovations and Shawnee Startups joined together to provide Shawnee County students grades 7-12 an opportunity to learn more about entrepreneurship by competing in the First Shawnee County Youth Entrepreneurship Challenge.

They are pleased to announce the first Shawnee County YEC qualifying winners.

First Place (\$1,500 Prize)

Austin Stahl – Free State UAS, A service-based business utilizing new cutting-edge technologies to complete everyday tasks more efficiently and safely.

Second Place (\$1,000 Prize)

Calista and Brighton Covell – B & C Snow Removal, A residential snow removal business.

The Shawnee County winner is entitled to move on to the Kansas Entrepreneurship Challenge, and from there, winners go to the national competition in Washington, DC. At the current time, the state event held at Kansas State University has been canceled due to COVID-19, and the rescheduled date has not been announced.





Develop
Homegrown
Talent

WORKFORCE & TALENT

2020 Q1 NUMBERS

TOTAL POPULATION*

123,927 in Topeka
174,799 in SNCO

2,233,436 in Kansas
259,629,000 in USA

LABOR FORCE PARTICIPATION

62,821 in Topeka
90,742 in SNCO

Topeka up **2.1%** from last year
SNCO up **2.2%** from last year

1,499,371 in Kansas
163,423,000 in USA

EMPLOYMENT

60,414 in Topeka
87,477 in SNCO

1,449,467 in Kansas
158,838,000 in USA

JOBS

83,246 in Topeka
97,726 in SNCO

Topeka up **.3%** from last year
SNCO up **.1%** from last year
1,419,334 in Kansas
150,024,964 in USA

AVERAGE WAGES

\$46,141 in Topeka
\$46,080 in SNCO

Topeka down **.1%** from last year
SNCO down **.1%** from last year
\$47,943 in Kansas
\$58,878 in USA

LABOR FORCE PARTICIPATION RATE

50.69% in Topeka
51.91% in SNCO

67.13% in Kansas
62.94% in USA

EMPLOYMENT-POPULATION RATIO

48.75% in Topeka
50.04% in SNCO

64.90% in Kansas
60.37% in USA

UNEMPLOYMENT RATE

3.8% in Topeka
3.6% in SNCO

3.3% in Kansas
4.1% in USA

*Total Civilian Non-institutionalized
Population





Collaborate for a Strong Community



Develop Homegrown Talent

iINCLUDED met during the first quarter of 2020 in February and heard from Rebecca Cornett, Career Readiness Counselor, with the Army National Guard's Citizen Soldier For Life program, and Jody Cope, Kansas National Guard State Equal Employment Manager. The two shared their insights and experiences from military service as it relates to employing veterans and currently serving National Guard members. The presentation highlighted best practices for employers, skills, credentials, experiences and professional values serving members and veterans bring to the civilian workplace.

At this time, plans are to host the next iINCLUDED Meeting on June 10 at the Brown vs Board of Education National Historic Site, where we'll hear from Cain Davis, CEO of Diversified Consulting Concepts, as he shares The Business Case for Workplace Diversity - Our workplaces mirror the dynamics we live outside of our areas of employment. Our society is continuously changing, staying abreast of these changes and how they affect the workplace can be costly if ignored by managers and executives. Therefore, valuing and managing diversity in the workplace is an asset that is often the difference when it comes to attracting and maintaining innovative, creative, productive and engaged employees. Learn basic, but extremely valuable workplace best practices designed to leverage diversity and increase profit.

WASHBURN TECH JEDO SCHOLARSHIPS

SPRING SEMESTER, 2020



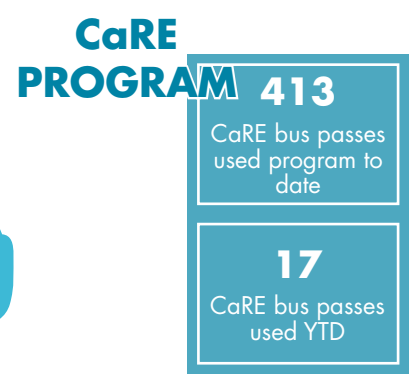
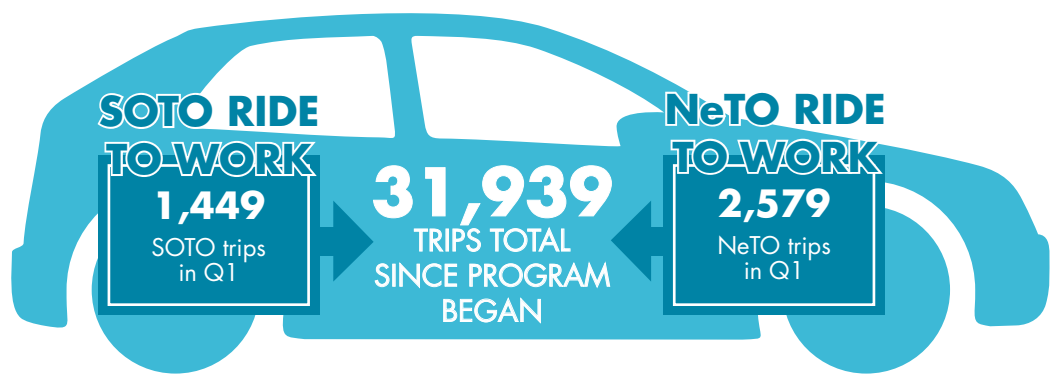
52

Students Assisted



\$28,250

Awarded





CHOOSE TOPEKA RELOCATION INCENTIVE

Choose Topeka has taken the world by storm with coverage by CNN, the New York Times, TIME, Forbes, NPR, etc, and globally translated articles. Over 3,000 submissions with resumes or questions along with over 1,000 phone calls have been received. Incentives are performance-based to the employer and reimbursed to the employer after the employee has moved and resided in the community for a year in a primary residence. They may be used for all types of relocation expenses. Multiple employers have initiated the process to submit candidates, via emails and calls, and candidate submissions were accepted beginning in January 2020. The original press release along with other content may be found at www.choosetopeka.com/press/.

3,300+
Submissions

1,500+
Calls

14
Candidates Submitted

\$77,500
in Matching JEDO funds

Choose Topeka Gains Worldwide Attention

In December 2019, GO Topeka received approval from its board of directors as well as the Joint Economic Development Organization (JEDO) to fund Choose Topeka, a talent recruitment and retention pilot program that offers matching incentives by partnering with employers to encourage talent to move to Topeka & Shawnee County. ChooseTopeka.com launched to provide quick answers about the program, allow interested candidates to submit resumes and provide an application page for employers to submit candidates for consideration in the pilot. Questions can also be emailed to ChooseTopeka@GoTopeka.com.



2020 GO TOPEKA BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Dan Foltz	Chair
Robert Kenagy	Chair Elect
Kurt Kuta	Immediate Past Chair
Marsha Pope	Secretary
Scott Anderson	Treasurer
Treena Mason	Non-Officer Member
Martha Piland	Non-Officer Member
Stephen Wade	Non-Officer Member

ELECTED DIRECTORS (TERM EXPIRING 2022)

Scott Anderson
Steve Anderson
Robert Kenagy
Martha Piland
Marsha Pope
Marvin Spees
Renita Harris
Abbey Frye

ELECTED DIRECTORS (TERM EXPIRING 2020)

Doug Wolff
Andrea Engstrom
Megan Jones
Allen Moore
Dan Foltz
Stephen Wade
Daina Williams
Tammy Dishman

DIRECTORS APPOINTED AT-LARGE

Kurt Kuta
Madan Rattan
Shane Hillmer
Jeff Russell
Cassandra Taylor
Jacob Wamego
Diana Ramirez
Calla Haggard

ELECTED DIRECTORS (TERM EXPIRING 2021)

Don Beatty
Linda Briden
Wade Jueneman
Jim Klausman
Treena Mason
Terry Bassham
Shane Sommars
Kevin Hahn

DIRECTORS BY VIRTUE OF POSITION HELD

Mayor Michelle De La Isla
County Commissioner Aaron Mays
Council Member Mike Padilla
Eric Johnson, MTAA
Brent Trout, City Manager
Dr. Jerry Farley, Washburn University
Delmar White
Matt Pivarnik





A Greater Topeka Partnership Organization



Prepared for JEDO
Joint Economic Development Organization