

**Joint Economic Development Organization Board Minutes
September 9, 2020**

Stormont Vail Events Center
Exhibition Hall
1 Expocentre Dr.
Topeka, Kansas 66612
Wednesday, September 9, 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 Councilmember Michael Padilla. Shawnee County Commissioner Kevin Cook presided as JEDO Chair.

The following nonvoting JEDO Board members were present: City Councilmember Spencer Duncan joined at 6:05.

The following JEDO Board members were absent: City Councilmembers Michael Lesser, Karen Hiller, Christina Valdivia-Alcala, Sylvia Ortiz, Hannah Naeger and Neil Dobler.

Others present who presented and/or spoke before the Board: Molly Howey, Senior Vice President of Economic Development for GO Topeka; James Crowl, Shawnee County Counselor; Glenda Washington, Chief Equity & Opportunity Officer for GO Topeka; Barbara Stapleton, VP Business Retention & Talent Initiatives for GO Topeka; Katrin Bridges, Senior VP Innovation for GO Topeka; Natalie Zeller, Senior VP Finance for GO Topeka; Bob Nugent, Topeka Metro.

APPROVAL of May 13, 2020 JEDO Board Meeting Minutes was presented:

Mayor De La Isla moved to approve the Minutes of May 13, 2020. The motion seconded by Commissioner Mays carried unanimously. (6-0)

APPROVAL of Project Oyster was presented:

Barbara Stapleton, VP Business Retention & Talent Initiatives for Go Topeka, reported that during the December 11, 2019 JEDO Meeting Project Oyster's Funding was approved at \$96,000 based upon their Capital Investment of Three Million Five Hundred Thousand Dollars (\$3,500,000), along with the creation of 17 full-time jobs over the next five years. She announced that Project Oyster was Midwestern Metals Custom Dredge Works. She invited John Jones, president of the organization to address and share comments related to the project and their growth and success in our community.

John Jones, president of Midwestern Metals Custom Dredge Works, explained how their current facility has grown and now they have a need for expansion. They projected they will build 5 new buildings. He thanked everyone for their commitment to the project and explained how excited they are.

Mayor De La Isla moved to approve Project Oyster. The motion seconded by Councilmember Padilla carried unanimously. (6-0)

APPROVAL of Project Prince was presented:

Barbara Stapleton, VP Business Retention & Talent Initiatives for Go Topeka, reported that during the February 12, 2020 JEDO Meeting Project Prince's Funding was approved at \$341,00 based upon a Capital Investment of Thirty-One Million Four Hundred Thousand Dollars (\$31,400,000) with 33 full-time jobs over the next five years. The incentives are performance based and will be paid out as earned and details are outlined in the contract. She announced that Project Prince is Hill's Pet Nutrition. Though they could not be present tonight, there is a short video from Cory Murray, plant director.

Cory Murray, Hill's Pet Nutrition plant manager virtually gave a history of their plant. He explained how their growth has created a need to make a huge investment in the Topeka Plant. Phase one includes a \$31 million investment with an addition of 33 new employees. He then thanked JEDO for their support.

Commissioner Riphahn moved to approve Project Prince. The motion seconded by Mayor De La Isla carried unanimously. (6-0)

APPROVAL of Project Vita Funding was presented:

Barbara Stapleton, VP Business Retention & Talent Initiatives for Go Topeka, reported that Project Vita is a Life Science Company looking to expand in our community. They will have a Capital Investment of One Million Five Hundred Thousand Dollars (\$1,500,000) in expenditures and equipment over the next 5 years as well as 7 new jobs with an annual salary of \$85,000 plus benefits. She stated that they were proposing up to Seventy-Six Thousand Five Hundred Dollars (\$76,500). The incentives are performance based and will be paid out as earned and details will be outlined in the contract.

Commissioner Mays moved to approve Project Vita. The motion seconded by Mayor De La Isla carried unanimously. (6-0)

APPROVAL of Project Vertical Funding was presented:

Barbara Stapleton, VP Business Retention & Talent Initiatives for Go Topeka, reported that Project Vertical is a Manufacturing Company looking to expand in our community. They will be putting in a Capital Investment of Six Million Six Hundred Thousand Dollars (\$6,600,000) over the next five years with an additional 40 new jobs at an average annual salary of \$43,000 plus benefits. The proposed incentive funding is Two Hundred Thirty-Four Thousand Dollars (\$234,000) which is performance based and will be paid out as earned. The details will be outlined in the contract.

Mayor De La Isla moved to approve Project Vertical. The motion seconded by Councilmember Padilla carried unanimously. (6-0)

APPROVAL of GO Topeka Audit was presented:

Morgan Padgett, PT& CO, presented the 2018 ad 2019 GO Topeka Audit which is included in the JEDO Agenda Packet. She wanted to point out that the Audit was consolidated with both GO Topeka and the East Topeka Learning Center, which GO Topeka owns. She gave a full overview of the Audit to include assets, liabilities and net assets (equity). She mentioned that revenue is recorded when the funds are expended not when their received. She also mentioned the new accounting standards for revenue that were required to be implemented and that they are noted in the footnotes. She noted a letter that was about a deficiency on internal control that was included in the packet.

Commissioner Cook asked if she could talk a moment about the deficiency that was noted.

Ms. Padgett explained that when they do an Audit they look at the internal controls of the organization to plan and know where the risks may be. They don't give an opinion on internal controls but they do note deficiencies. It is around segregation of duties. She noted that there wasn't a complete segregation of duties in certain areas, clearly based on the small size of the staff and that they are taking steps to rectify that. She said it is important to note that this is the first year they found this deficiency due to the fact that until 2018 they used an outsource CPA Accounting Firm that provided that extra layer of 3rd party verification.

Commissioner Cook wanted to clarify that as the Auditor, they did not see it in the 2018 Audit Report, and they do not expect to see it in the 2020 Audit Report.

Ms. Padgett confirmed, yes.

Mayor De La Isla thanked Natalie for all the work she has done for taking the organization from a modified cash basis to accrual and how well she is doing in this organization.

Councilmember Emmerson moved to approve GO Topeka Audit. The motion seconded by Mayor De La Isla carried unanimously. (6-0)

APPROVAL of Incubator Project in Partnership with Topeka Housing Authority was presented:

Glenda Washington, Chief Equity & Opportunity Officer for GO Topeka presented. She explained how in 2019, GO Topeka embarked upon a relationship with the Topeka Housing Authority to take some of their residence from that community and upscale them to start businesses. They had a focus group to see who was interested. Initially there were 20 some interested with 5 individuals who were ready to start the program and start a business. They went through a fast tract program which taught them how to start a business. Ms. Washington explained that as the businesses were preparing to open the pandemic happened and it brought everything to a halt. She stated that now they are ready to begin that process again and she would like the Board's approval to use the carryforward money that they already have and have talked about, to help get this program up and running and get these 5 businesses started.

Commissioner Cook asked for Ms. Washington to tell him a little about these five businesses. He asked, "Have they started their businesses? Are they still on hold? What are they wanting to do?"

Ms. Washington explained that they are still on hold but they are ready to get set up in the facility where they will be responsible for all the utilities and exterior and interior maintenance.

Commissioner Cook clarified that these are carryforward funds left over that are being used for this project.

Councilmember Padilla moved to approve the Incubator Project in Partnership with Topeka Housing Authority. The motion seconded by Commissioner Riphahn carried unanimously. (6-0)

APPROVAL of Choose Topeka Remote Initiative was presented:

Barbara Stapleton, VP Business Retention & Talent Initiatives for Go Topeka, presented and stated that the Choose Topeka Talent Relocation Initiative has been successful in so many ways. She reported employers have submitted 20 candidates to the program, and \$106,250 has been encumbered of the \$300,00 to be allocated. She mentioned that local employers recognize that this can be beneficial to them, bringing qualified candidates to the community that they may hire in the future. The GO Topeka Committee approved and recommended using up to 40% of the allocated funds to be used for remote worker relocation option. Based upon the remote worker's salary, they would provide a tiered relocation incentive, outlined in the presentation and JEDO Agenda Packet. Ms. Stapleton explained that the three things they added to the Remote Relocation Incentive is:

1. Limit one relocation incentive per household
2. Minimum 3 months waiting period
3. Remote employer must be located outside Shawnee County

Ms. Stapleton wanted to point out that this request adjusts and allocates potential funding they already have for the year by adding a remote option. It does not impact the funds that are potentially available for the traditional program.

Commissioner Cook asked why they are wanting to change things so quickly as the program has just started.

Ms. Stapleton responded that what they are seeing with the pandemic, that they are seeing a shift as to where workers are working and where they want to be as it relates to their work. There has been an interest for people to look at Topeka for work but they are tied to where their employers are. Now the employers are indicating that remote work is an option. So we would like to open that possibility up. She wanted to point out again the economic impact it has, being for every \$5,000 they invest we see a ten times return on investment. She shared the power point that gave more detailed numbers. Ms. Stapleton explained that they saw an opportunity to use the funding that they have already set aside to be more creative with the relocation campaign.

Commissioner Cook inquired what were the requirements for the Remote Initiative.

Ms. Stapleton outlined the main requirements:

- Show proof of prior residency
- Provide signed rental agreement OR documentation verifying home purchase
- Proof of salary/benefits package
- Limit one relocation incentive per household
- Minimum 3 months waiting period
- Remote employer must be located outside Shawnee County

Councilmember Emmerson inquired if that they are not asking for increased funding, they are only asking to allocate up to 40% of the current funding to be used for this remote initiative.

Ms. Stapleton stated that yes, that is correct.

Councilmember Padilla asked if she could tell us what are the kind of jobs they are seeing being filled with this initiative.

Ms. Stapleton explained that they are seeing a mix. She mentioned that originally they had calculated an average annual wage of sixty thousand a year, currently they are seeing closer to eighty and eighty-five thousand a year wages.

Councilmember Emmerson moved to approve the Choose Topeka Remote Initiative. The motion seconded by Councilmember Padilla carried unanimously. (6-0)

PRESENTATION of the Draft 2021 GO Topeka Budget:

Natalie Zeller, Senior VP Finance for GO Topeka, explained that they are presenting concepts of what will be in the 2021 Budget. They do not have any numbers yet, so this will be a conceptual budget only. In October they will be inviting Board members to have one-on-one discussions with them to discuss the draft form of the budget and then they will bring the final budget before the Board in December. She wanted to mention she has the administrative side of the budget and inquired if there were any questions.

Commissioner Cook asked with the pandemic, what will she be changing in the 2021 budget.

Ms. Zeller explained that the biggest impact they are seeing is the funding for the private side, yet they do not know exactly what that impact will be. They are continuing to monitor the overall funding for the organization.

Molly Howey, Senior Vice President of Economic Development for GO Topeka, presented the following GO Topeka Budgets:

- Business Attraction Budget. She explained that while strong marketing strategies remain, they will have to get creative. They will be trying to focus on more regional relationships such as the Kansas City area. They also are looking at developers who are taking notice in Topeka. Also, innovative experiences such as virtual tours and other creative things.

- MWBD Budget. Some of the highlights include the Wheelhouse Program for existing businesses, the DEI Summit in conjunction with Workforce, PTAC, the Seat at the Table inclusive community initiative and continuing the Topeka Housing Partnership Program.
- Economic Analysis Budget. She stated that we can expect it to stay similar to last year's budget.
- Innovation Budget. Some of the highlights included the innovation center and innovation campus, scholarships for Plug and Play startups, improving access to resources and partners, branding and communication as well as programming for local entrepreneurs.
- Business Retention & Expansion Budget. She explained that most of the expenses are standard as far as costs for program expenses. Some of these expenses include BRE Visitation Program, existing employer support and a little bit of marketing.
- Talent Initiatives Budget. Some of the expenses include the Choose Topeka campaign, Included, which is a diversity and inclusion initiative, scholarships with Washburn Tech and Washburn Tech East, as well as early childhood campaigns.

Commissioner Cooked as for more information about the Plug & Play Program which is seeing such a great return of investment for our community.

Katrin Bridges, Senior VP Innovation for GO Topeka gave an update on the Plug & Play Program.

Commissioner Cook wanted to clarify that once the business is established they will become a part of our community.

Ms. Bridges responded that yes, that is one of the big advantages of the Plug & Play Program.

DISCUSSION of the Go Topeka Third Quarter Report:

Molly Howey, Senior Vice President of Economic Development for GO Topeka, presented. She stated that upon request of the JEDO Board, they would review the Third Quarter Report from the packet and she would stand for any questions. She also wanted to point out the projects we approved tonight that totaled around 100 new jobs and Forty-Five Million Dollars in Capital Investment and we should continue to celebrate the growth of our existing businesses.

DISCUSSION of Workforce Transportation:

Molly Howey, Senior Vice President of Economic Development for GO Topeka, gave a background on the NETO/SOTO programs and explained how the original plan was for these programs to be pilots and now they are ready to end. She explained that unfortunately the data is not showing enough riders at this time to support a full route. She also mentioned that Capitol City Taxi will be changing their business plan and no longer providing night shift rides, which was a large number of the riders who took advantage of this program. Molly then introduced Bob Nugent, with Topeka Metro to speak on the topic.

Bob Nugent, Topeka Metro, explained that the program, as they see it, does not really support a fixed route. They were looking at different alternatives and will continue to through the end of the year. He mentioned they may look at specific employers rather the community as a whole. They

have started conversations with van pool contractors so that may be one of the option. He explained that as they have been talking with the GTP, the conclusion as of now is that they don't really have an answer yet. They will continue to look for an answer to provide that kind of service.

Commissioner Cook asked if he could talk a little bit about the statistics they had. He thinks it appears like it is still being used by quite a few people, by both programs, even into the second quarter of 2020.

Mr. Nugent agreed that the ridership has remained fairly consistent, however, the problem they are running into is that without real contracts with the employers, they are finding that some of the employers are not paying their bills.

Commissioner Cook asked if there are notices going out to the riders that this may be a program that is coming to an end?

Mr. Nugent stated that they have not started that process yet because they are still trying to come up with other solutions.

Mayor De La Isla asked what is the number of people for any given route on the Topeka Metro Bus.

Mr. Nugent stated that they vary and he could not give a specific number off the top of his head.

Mayor De La Isla then explained that she likes to look at the numbers. Doing a quick calculation from the data, she estimated 543 rides a month and she feels concerned to hear there is not enough capacity for the program when that is such a large number of people utilizing this service.

Mr. Nugent explained that these rides are not given on a bus, they are given by a taxi cab company, so when looking at a fixed route the numbers are not adding up.

Commissioner Cook asked for Mr. Nugent to explain why the fixed route will not work.

Mr. Nugent explained that they are seeing a higher number of riders for after hours, which is usually the most expensive times to operate.

Commissioner Cook asked, "As a leader in your industry, what are the other opportunities for workforce transportation?"

Mr. Nugent suggested again the van pool. This is a service that is ran by the employer. The only other option may be to go to other taxi cab drivers. He explained that van pooling around here has been mainly private companies.

Councilmember Padilla wanted to follow up on Commissioner Cook's options. Do they see a viable option before the end of the year? He feels it is important to work ahead and be prepared for the future. He would also like to go ahead and make a decision on what we plan to do in the

interim. He would like to go ahead and dedicate some more funds to the programs so that they know they can proceed until another option becomes available.

Commissioner Cook asked Barbara Stapleton to come up and explain why this program was only supposed to be funded by JEDO for the first year and then passed off to the employer's to pay and now what has happened?

Barbara Stapleton, VP Business Retention & Talent Initiatives for Go Topeka, reported that there was just not enough community interest, however, on the concerns of the JEDO Members they were able to carry over funds to bridge that gap for several more years. Some things they are seeing is that many of the riders are temporary positions, which employers are not interested in paying for. She mentioned a survey she sent out to employers who responded that workforce transportation is not their number one worry right now. She also shared comments on behalf of employers who support the programs.

Councilmember Padilla asked if there has been a survey from the riders.

Ms. Stapleton said they do not have that data. They have tried to seek out responses from the riders but have not received a lot of feedback from that yet.

Councilmember Emerson inquired about getting more specifics on the numbers because he thinks that would make a difference. He also stated that he would support more funding for the programs.

Councilmember Padilla then made a motion to provide funding to continue the Workforce Transportation Programs (NETO/SOTO), in the amount of \$100,000 a year for the next five years.

Commissioner Cook seconded the motion for the purpose of having a discussion about it.

Mayor De La Isla wanted to clarify if he meant \$100,000 for the next five years or \$100,000 PER year.

Councilmember Padilla confirmed, he was asking for \$100,000 PER year for the next five years.

Ms. Stapleton confirmed on Commissioner Cook's inquiry, that the funding for both programs are now completely over in 2020.

Commissioner Cook inquired to Councilmember Padilla what his exact intent of the \$100,000 a year was for when, by his calculations, they are currently funded by only \$82,000 a year.

Councilmember Padilla stated his intention is to just keep the Workforce Transportation Programs going. He asked to have a taskforce convened to come up with a better, more efficient program that can be brought to the board by the beginning of next year. He said he would like to amend his motion to "up to" \$100,000, so if they find a more efficient way, we will not have to spend the entire amount.

Commissioner Cook asked Councilmember Padilla if his motion was only to include the NETO/SOTO Programs or all Workforce Transportation in general.

Councilmember Padilla then amended his motion again to be more vague. The motion is now a \$100,000 a year, for five years, for workforce transportation.

Mayor De La Isla wanted to point out that this could also be a great entrepreneurship for anyone in Topeka that wants to start their own business.

Commissioner Mays commented that he has always been a supporter of the program, however, he isn't sure if throwing money at it right now is the best solution to the problem. He is concerned about all the different factors that are going on with it and he thinks we need to get creative to come up with solutions so that the funding makes sense.

Commissioner Cook agreed that he made a good point. He was hoping that the broadness of the motion for "Workforce Transportation" would help for them to figure out just that, another solution that works best to get our employees to work.

Commissioner Mays moves for an amendment to the Motion from five years to one year. Mayor De La Isla Seconds.

Councilmember Padilla accepts that amendment.

Commissioner Cook restates the current motion, "JEDO would be setting aside for the 2021 budget, up to \$100,000 for Workforce Transportation, and there will be a workforce set aside to develop how that transportation initiative would work."

Councilmember Duncan stated that he thinks there is prudence in putting that money aside just to know it is there once a solution becomes available. Also, by his calculations, the total amount of wages going back into our community, far supersede the \$100,000.

Councilmember Emerson apologized to Ms. Stapleton that he got angry, he explained that he was just upset that they couldn't figure this out.

Councilmember Padilla moved to approve the Motion to Fund Workforce Transportation. The motion seconded by Mayor De La Isla, roll call vote carried unanimously. (6-0)

DISCUSSION on Housing:

Commissioner Cook made a motion to defer action on the discussion of housing until the December meeting. The motion seconded by Commissioner Riphahn carried unanimously. (6-0)

PUBLIC COMMENT was provided by the following:

Anton Ahrens spoke on behalf of himself and the members of Topeka JUMP on their concern for workforce transportation in Topeka. He started by thanking the Board for their recent vote to

support workforce transportation. He believes there are more than enough people who need these programs and we really need to keep the momentum going. He brought a whole stack of postcards that are from people who support this program, as well as 1,200 more people who have signed a virtual petition that shows their support. He stated that this public-private partnership is vitally important and needs to continue from 2021 and beyond. He urged the board to continue to think about workforce transportation. He left off by sharing a video testimony from one of the riders, who supports the program.

Lazone Grays spoke about Workforce Broadband Initiative. He believes many people have a need for broadband in order to get out there and seek for jobs. He mentioned that the Kansas Department of Children and Families has now started providing some services. He is just seeking some solutions for this problem. He asked that JEDO consider funding a digital literacy training program.

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:50 p.m.