



JEDO Board Meeting
September 9, 2020
6:00 P.M.

Stormont Vail Events Center
Exhibition Hall
1 Expocentre Dr.
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. This requirement 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 the JEDO webpage at <https://www.jedoecodevo.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, September 9, 2020

6:00 p.m.

**Stormont Vail Events Center
Exhibition Hall
1 Expocentre Dr.
Topeka, Kansas**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. ACTION ITEMS:**
 - A. APPROVAL of May 13, 2020 JEDO Board meeting minutes
 - B. APPROVAL of Project Oyster Incentive Agreement
 - C. APPROVAL of Project Prince Incentive Agreement
 - D. APPROVAL of Incentive Funding for Project Vita
 - E. APPROVAL of Incentive Funding for Project Vertical
 - F. APPROVAL of GO Topeka Audit
 - G. APPROVAL of Incubator Project in Partnership with Topeka Housing Authority
 - H. Approval of Choose Topeka Remote Initiative
- 4. PRESENTATION:** Draft of 2021 GO Topeka Budget
- 5. DISCUSSIONS:**
 - A. Go Topeka Second Quarter Report
 - B. Workforce Transportation
 - C. Housing Discussion (*Possible Motion to Defer this Item*)
- 6. PUBLIC COMMENT:**
- 7. REMINDER: 2020 JEDO Board Meeting Dates per the JEDO Operational Rules:**

Wednesday, December 9, 2020
- 8. ADJOURNMENT.**

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City of Topeka & Shawnee County



Agenda Item No. 3A

**JEDO Board Meeting
September 9, 2020**

ACTION ITEM:

Approval of May 13, 2020 JEDO Board meeting minutes

**Joint Economic Development Organization Board Minutes
May 13, 2020**

ZOOM Meeting, Topeka, Kansas
Wednesday, May 13, 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 and Sylvia Ortiz. City Councilmembers Neil Dobler and Spencer Duncan joined at 6:05.

The following nonvoting JEDO Board members were absent: City Councilmembers Hannah Naeger.

Others present who presented and/or spoke before the Board: Molly Howey, Senior Vice President of Economic Development for GO Topeka; Matt Pivarnik, President and CEO of Greater Topeka Partnership; James Crawl, Shawnee County Counselor; Glenda Washington, Chief Equity & Opportunity Officer for GO Topeka; Rhiannon Friedman, Business Development Manager for GO Topeka; Brenda Flanagan, Summers, Spencer & Company, P.A.; Angela Ayala, Controller for Topeka Foundry; Kevin Rake, Chief Financial Officer of HME, Inc.; John Haas, Owner of HME, Inc.; Betty Greiner, Director of Administrator Services for Shawnee County and 2020 Treasurer for JEDO Finance Committee; Barbara Stapleton, VP Business Retention & Talent Initiatives for GO Topeka; Katrin Bridges, Senior VP Innovation for GO Topeka; Freddy Mawyin, Research Manager for GO Topeka;

APPROVAL of February 12, 2020 JEDO Board Meeting Minutes was presented:

Commissioner Riphahn moved to approve the Minutes of February 12, 2020. The motion seconded by Mayor De La Isla carried unanimously. (7-0)

APPROVAL of April 1, 2020 JEDO Board Meeting Minutes was presented:

Mayor De La Isla moved to approve the Minutes of April 1, 2020. The motion seconded by Commissioner Mays carried unanimously. (7-0)

APPROVAL of 2019 JEDO Auditor's Report was presented:

Brenda Flanagan, Summers, Spencer & Company, P.A., presented the 2019 JEDO Auditor's Report. She explained how the Audit was conducted and expressed that their findings were that the statements were fairly stated. She said she would stand for questions anyone may have on the Audit. No one had questions.

Commissioner Cook inquired if there were any specific notes they should be aware of.

Ms. Flanagan responded that the most significant note in the financial statements was just the disclosure of the Economic Development Program itself. There is also an addition in the packet that just summarized the Audit and gave more information. She stated there was one adjustment made and posted to the financial statements.

Commissioner Cook inquired if there were any negative notations or any items of concern.

Ms. Flanagan stated that there were no internal control issues identified during the Audit.

Mayor De La Isla moved to approve the 2019 JEDO Auditor's Report. The motion seconded by Commissioner Riphahn carried unanimously. (7-0)

APPROVAL of Project Bond was presented:

Rhiannon Friedman, GO Topeka Business Development Manager, reported that Project Bond, an incentive agreement for a local manufacturing company looking to expand in Shawnee County was approved at the February 12, 2020 JEDO Meeting. She stated the total approved incentive was \$433,500 based on their Capital Investment of \$5 million and an addition of up to 75 new jobs over the next 5 years. With an average wage of \$45,000 annually plus benefits resulting in an Economic Impact of \$208 million over 10 years. She also pointed out that all the incentives are performance based and will be paid out as earned.

Ms. Friedman went on to announce that Project Bond was Topeka Foundry. She stated they had a pre-recorded statement by Angela Yala, a controller for Topeka Foundry. She also stated that Ms. Ayala is dialed in over the telephone if anyone had any questions for her.

Angela Ayala, Controller for Topeka Foundry, through a pre-recorded message wanted to thank JEDO and GO Topeka for approving the incentives. She stated how the incentives will help grow their business and help them to give back to their employees and their community. She explained what changes they would be making throughout their warehouse with the incentive money.

Mayor De La Isla explained how great it is to see this happening in our community right now.

Mayor De La Isla moved to approve Project Bond. The motion seconded by Commissioner Riphahn carried unanimously. (7-0)

APPROVAL of Project Spark was presented:

Rhiannon Friedman, GO Topeka Business Development Manager, reported that Project Spark, an incentive agreement for another local manufacturing company was approved at the

February 12, 2020 JEDO Meeting. She stated the total approved incentive was \$847,000 based on their Capital Investment of \$6 million and an addition of up to 167 new jobs over the next 5 years. With an average wage of \$40,000 annually plus benefits resulting in an Economic Impact of \$400 million over 10 years. She also pointed out that all the incentives are performance based and will be paid out as earned.

Ms. Friedman went on to announce that Project Bond was HME. She stated that Kevin Rake, Chief Financial Officer of HME, Inc. and John Haas, Owner of HME were on the telephone to answer any questions. Ms. Friedman also pointed out there was a pre-recorded statement from Kevin Rake and another short video to play.

Kevin Rake, Chief Financial Officer of HME, Inc., by way of a pre-recorded video, wanted to thank JEDO for the incentive money and gave some background information of HME, Inc. He explained how they want to expand HME by building three new facilities right at their current location and he gave more details about their plans.

Commissioner Cook asked if anyone had any questions for Mr. Rake or if Mr. Rake had anything additional to say.

Kevin Rake, Chief Financial Officer of HME, Inc. stated that he wanted to thank everyone again and it really does make a big difference and they sincerely appreciate the opportunity.

John Haas, Owner of HME, Inc. stated that he wanted to thank everyone for all the support and they are looking forward to expanding. He explained how proud he is to be able to produce jobs and contribute to the community.

Commissioner Cook stated that he is proud that HME started here in Topeka, continues to grow in Topeka, and the Topeka tax dollars are going to help encourage the growth. He explained that this is exactly the purpose of JEDO.

Councilmember Lesser thanked John Haas and congratulated him on the growth of his business.

Councilmember Lesser moved to approve Project Spark. The motion seconded by Councilmember Padilla carried unanimously. (7-0)

PRESENTATION Recap of 2019 Financial Statements was presented:

Betty Greiner, Director of Administrator Services for Shawnee County and Treasurer for JEDO Finance Committee presented, on request of the JEDO Chair, a spreadsheet on sales tax comparison information. She explained how she figured the totals for each year. Ms. Greiner concluded that our sales tax came in at only a very slim increase in 2019 as compared to 2018. The amount that goes to GO Topeka is a fixed amount, with the amount going to Shawnee County and Topeka totally a percentage 0.21% over the prior year. Basically pretty steady from one year

to the next. She also compared what we have so far this year in 2020 (2 months) to last year we have a 6% increase so far. She explained that because GO Topeka's amount is a fixed amount, any increase in sales tax would go to the City and County.

Commissioner Cook wanted to confirm that the GO Topeka portion comes out of the sales tax first, and then any increase or decrease would only affect the City and County. Ms. Greiner confirmed. Commissioner Cook asked how we were figured amount generated from sales tax in the life of the tax.

Ms. Greiner explained that we estimated a 1% increase per year in sales tax over a 15 year period. She believes we were very generous and we should stay on track from what we estimated.

Commissioner Cook asked if she believes we should worry about the economic downturn we have had recently affecting it.

Ms. Greiner stated that she believes if we look at it over the total 15 years of sales tax all the years will even out.

Mayor De La Isla wanted to publicly acknowledge that Betty Greiner is doing a wonderful job and is great person and thanks her for everything she has done.

PRESENTATION of GO Topeka 1st Quarter Report was presented:

Molly Howey, Senior Vice President of Economic Development, Barbara Stapleton, VP Business Retention & Talent Initiatives and Glenda Washington, Chief Equity & Opportunity Officer for GO Topeka presented. They prepared a power point to recap the highlights of the year that will be sent to JEDO Board members as well as posted to the GO Topeka website.

Barbara Stapleton, VP Business Retention & Talent Initiatives presented some new changes to the GO Topeka Website.

Commissioner Cook thanked everyone for all the hard work.

Katrin Bridges, Senior VP of Innovation presented an overview of Innovation which included an update of the Plug and Play Program as well as Creating Space for the Innovation Campus.

Commissioner Cook asked Ms. Bridges to take a moment to talk more about the impact the event at Security Benefit has on Topeka. He asked it focused on businesses that are here for the long term.

Ms. Bridges explained that the impact the Plug and Play program will have on Topeka is manifold. She stated that they are trying to attract the Bio-science related companies because we are so conveniently located in the animal health corridor. That is something that Topeka has not been able to take advantage of in the past and we would like to develop that now. It also connects the businesses with silicone valley, potential funding and talent that we have here. She also mentioned it is about creating opportunities for our young people that are coming out of our schools and

universities. She explained that because of the event they now have 2 corporate partners that are now in contract stage. They also have 10 additional targets that are in discussions. She went on to talk about the space they are trying to create for the Innovation Campus. Right now they are in the assessment stage. They have proposals from 3 developers that they are considering. She explained how the Downtown Innovation Center would create space for startups/businesses in biosciences and any other sector.

Commissioner Cook thanked everyone for their hard work on the Plug and Play Program and said he is excited to see what comes out of it.

Molly Howey, Senior Vice President of Economic Development, wrapped up the GO Topeka 1st Quarter Report by updating us on the new Walmart Distribution Center. She explained they are going to be breaking dirt any day now. The real estate portion of the deal has been closed and the excavation part of it should be going very quickly.

Councilmember Michael Padilla asked about how the SOTO/NETO Programs were working and how much longer they would be provided.

Barbara Stapleton, VP Business Retention & Talent Initiatives explained that their data projected that with the current funding they should be able to finish out all of 2020 for both routes with a 50/50 match. She explained that how long after that they keep going is up to the JEDO Board. Originally it was designed as a pilot phase and not intended to be long term but the businesses will also have the opportunity to keep it going if it is beneficial to them.

Commissioner Cook asked if we could have a discussion about SOTO/NETO in the September meeting while we are also going over the Draft 2021 Go Topeka Budget.

Councilmember Padilla stated that he would appreciate another discussion about it in the September meeting and feels it is something that JEDO needs to look at extending in order to provide a reliable workforce to these companies that are coming in.

Commissioner Cook asked Molly Howey if she could reach out to our partners/businesses in the SOTO/NETO Program to see what their commitments are and if they would be willing to subsidize anything to keep the programs going.

PRESENTATION of Host Program Update presented:

Deputy Mayor Tony Emerson reported on the Host Program. He reported that there have been a lot of applications submitted during the pandemic. There has been 74 checks issued for a combined total \$249,500. An additional \$114,000 is reserved for the next mail out in July. Also, they will be reviewing an additional 30 applications in the following weeks.

Molly Howey, Senior Vice President of Economic Development reported on the Private Sector of the Host Program. She stated that there have been \$660K raised by donors. It has allowed them to purchase gift cards purchased from 118 businesses, 1,400 Gif Gard Packets delivered with a

total of \$429,500 total gift card purchases handed out to those whose employment have been affected by COVID.

Barbara Stapleton, VP Business Retention & Talent Initiatives reported how much the gift cards have impacted the employees and how there were over 100 submissions from employers and over 1400 employees impacted.

Commissioner Cook inquired if these gift cards were being distributed evenly throughout the community.

Ms. Stapleton responded that they are at where the need is and where the impact is to make sure they distribute them evenly.

Councilmember Christina Valdivia-Alcala asked if the businesses where the gift cards are purchased are going to be posted anywhere for the public to see.

Molly Howey pointed out that they are privately funded donations but they have been publishing a list each week to the media of the gift cards that were purchased and she can combine those lists for the JEDO members to see.

Glenda Washington, Chief Equity & Opportunity Officer for GO Topeka presented on the HOST Relief part. She touched on how grateful people have been who received the support. There have been a total number of 140 applicants, 74 grants awarded, 1,032 employees impacted and \$249,500 total disbursed. The largest number of applications have been from zip code 66614; with 04, 03, and 08 next in line with the highest number of applications. It is not only in the City but in the County as well.

Deputy Mayor Tony Emerson wanted to thank all the following members of the Small Business Incentive Committee for their hard work:

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
7. Mary Ann Anderson – GO Topeka
8. Glenda Washington – GO Topeka

Councilmember Sylvia Ortiz stated she couldn't believe how many calls she has received about the HOST Program and she believes it is making a huge impact. She also stated that they can't give this money away. They are having a hard time finding people to fill out the applications because they don't even believe it is real and she's been trying to get the word out.

Glenda Washington stated that they are doing a lot of outreach and don't seem to be having a hard time finding people who need the money. She went on to explain that they are doing it in 4 stages and will be contributing to the small businesses until November.

Matt Pivarnik, President and CEO of Greater Topeka Partnership commented that he believes this program is so different that people are thinking it is too good to be true and may have some strings attached. He believes some people may think that they will have to be paying it back so he wants to make sure they are gaining back the trust of the entire community.

Councilmember Michael Padilla asked Ms. Washington if they were keeping records of the types of businesses that are applying and if they are minority owned or women owned and he is interested in seeing that data.

Ms. Washington stated that they do keep all kinds of data and she would be more than willing to share it.

Councilmember Karen Hiller stated she appreciated adding information about the cycles because he said this program was for recovery and she is thinks it's a good thing the money will be balanced out along the way.

Ms. Washington wanted to also thank Mayor De La Isla for her input in making sure we are stretching this money for the long run.

PRESENTATION of Economic Status Report Update presented:

Freddy Mawyin, Research Manager for GO Topeka, presented on where Topeka and Shawnee County stand after the recent downturn. The first point was based on what were the most vulnerable in the pandemic. Topeka was ranked 346 out of 382 metro areas, meaning Topeka is not as vulnerable as other metro areas. He stated that Topeka has 12.4% of jobs in Topeka are considered high risk which means that we are at a lower risk than other metro areas. He went on to explain more statistics on unemployment and that once again, Topeka is much less vulnerable than other metros. He believes this is due to the industry mix we have in the region, but at the same time we cannot forget that a significant amount of the population do work in those vulnerable industries.

Commissioner Cook inquired about what businesses we have that may be at higher risk.

Mr. Mawyin explained that the food services, entertainment and tourism sectors will take the biggest toll.

DISCUSSION on Housing:

Commissioner Cook made a motion to defer action on the discussion of housing until the September meeting. The motion seconded by Mayor De La Isla carried unanimously. (7-0)

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 stated that he emailed JEDO members a list of 1,262 people who supported the SOTO/NETO program and would like to have it continued long term. He believes we will need this program to help recover from the pandemic. He is excited to hear there will be further discussion about it in the September JEDO Meeting and he explains why he hopes to see them continue as part of Topeka's Economic Development.

Councilmember Christina Valdivia-Alcala gave a statement that she is thankful that Topeka JUMP members have been pushing for the SOTO/NETO programs to continue, as we bring in these corporations and give them incentives to get Topekans better jobs, that should come with help for those Topekans get to their jobs. She believes there should be a strong push for contracts and obligations with the corporations to keep these programs funded so that JEDO does not have to continue to carry it.

Commissioner Cook asked Mr. Ahrens if he could be present at the September JEDO Meeting and have comments from the riders of the SOTO/NETO programs.

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:43 p.m.

City of Topeka & Shawnee County



Agenda Item No. 3B

**JEDO Board Meeting
September 9, 2020**

ACTION ITEM:

Approval of Project Oyster Incentive Agreement

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 OYSTER

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

WHEREAS, PROJECT OYSTER is contemplating investing approximately Three Million Five Hundred Thousand Dollars (\$3,500,000.00) to purchase real estate, construct improvements, and equip additional production space in Shawnee County, Kansas; and

WHEREAS, PROJECT OYSTER intends to expand its operations and, in the process, create seventeen (17) full time jobs over the next approximately five (5) years; and

WHEREAS, GO TOPEKA desires to assist and promote PROJECT OYSTER by offering up to Ninety-Six Thousand Dollars (\$96,000.00) in employment, training and investment incentives; and

WHEREAS, PROJECT OYSTER 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 OYSTER an employment incentive of up to Sixty-Eight Thousand Dollars (\$68,000) (the “Employment Incentive”) for new Full Time Employment Positions created by PROJECT OYSTER over five (5) years, subject to the limitations and requirements outlined herein. The eligibility for Employment Incentive of a new Full Time Employment Position is based on annual employee compensation as follows:

<u>Annual Compensation</u>	<u>Total Employment Incentive</u>	<u>Per Year</u>
• \$33,000 - \$39,999	\$3,000	\$600
• \$40,000 - \$49,999	\$4,000	\$800
• \$50,000 - \$59,999	\$5,000	\$1,000
• \$60,000 - \$69,999	\$6,000	\$1,200
• \$70,000 - \$79,999	\$7,000	\$1,400
• \$80,000 or more	\$8,000	\$1,600

A Full Time Employment Position receiving compensation of less than \$33,000.00 annually is not eligible for an Employment Incentive.

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 OYSTER 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 OYSTER, 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 OYSTER 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 OYSTER 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 OYSTER as of June 28, 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 OYSTER 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 Sixty-Eight Thousand Dollars (\$68,000) in the aggregate. To qualify for the Employment Incentive, the Full Time Employment Positions must commence on or after June 28, 2019 and be hired and receiving compensation by December 31, 2024.

Installments of the Employment Incentive shall be available to be earned for up to five (5) consecutive years plus 186 days, with the first qualifying year beginning on June 28, 2019 (with the Employment Incentive installment relating to Full Time Employment Positions established in 2019 paid in 2020), and the last qualifying year (depending when a position was added) ending on December 31, 2024 (with the first Employment Incentive installment relating thereto paid in 2025). The Employment Incentives shall not exceed Thirteen Thousand Six Hundred Dollars (\$13,600) 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 June 28, 2019 and December 31, 2019 will be eligible to receive the first incentive payment installment in 2020;
- New Full Time Employment Positions hired between January 1, 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 December 31, 2024 will be eligible to receive the first incentive payment installment in 2025;

provided, however, that PROJECT OYSTER 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 of such sufficient documentation relating to employment levels.

The parties recognize there may be some turnover and fluctuations in PROJECT OYSTER'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 OYSTER hires throughout the period between January 1, 2020 and December 31, 2020 three (3) new Full Time Employment Positions receiving compensation of at least \$40,000 and one (1) new Full Time Employment Positions receiving compensation in excess of \$80,000.00, it would be eligible to receive an Employment Incentive installment in the amount of \$4,000 [(3 x 800) + (1 x 1,600)] in 2021 upon receipt and verification of appropriate documentation.

2. Employment Incentive Calculation Documentation. When and as reasonably requested by GO TOPEKA, PROJECT OYSTER 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 OYSTER'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 OYSTER 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 OYSTER may earn an Employee Training Incentive in an amount not to exceed Seventeen Thousand Dollars (\$17,000.00) (the "Employee Training Incentive"). GO Topeka shall reimburse PROJECT OYSTER 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 June 28, 2019 to December 31, 2024 in accordance with the following provisions. PROJECT OYSTER 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 seventeen (17), created by PROJECT OYSTER. An Employee Training Incentive payment may be made to PROJECT OYSTER starting in 2020 for training costs incurred by any full time employee (new or existing) at PROJECT OYSTER in 2019 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 OYSTER in the previous eligible year (for example, if PROJECT OYSTER created five (5) new Full Time Employment Positions in 2019, PROJECT OYSTER could receive a reimbursement of up to \$5,000 in 2020, 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 OYSTER for incidental costs associated with training such as travel expenses, meals, and lodging.

4. Real Estate and Equipment Investment Incentive. For each Three Hundred Eighteen Thousand One Hundred Eighty-Two Dollars (\$318,182.00) in expenditure for the purchase of real estate, including associated transaction costs, and the improvement thereof including purchase of equipment to be housed at its real estate located in Shawnee County, Kansas made by PROJECT OYSTER in Topeka, Shawnee County, Kansas up to but not to exceed a total capital investment of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) GO TOPEKA shall pay an incentive to PROJECT OYSTER of One Thousand Dollars (\$1,000.00) (The “Real Estate and Equipment Investment Incentive”). The aggregate of said real estate and equipment investment incentive payments shall not exceed Eleven Thousand Dollars (\$11,000.00). The real estate and equipment investment incentive payments shall be made to PROJECT OYSTER 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 OYSTER 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 OYSTER fails to maintain at least a minimum of _____ Full Time Employment Position in Shawnee County, Kansas, in any calendar year, between June 28, 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 OYSTER 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 OYSTER 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 OYSTER shall provide prompt advance notice to GO TOPEKA of any material change in PROJECT OYSTER's ownership, control or management, including issues of insolvency or bankruptcy, or other material changes that could reasonably result in a default by PROJECT OYSTER 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 OYSTER 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 OYSTER 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 OYSTER.

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 OYSTER advance notice of any reduction of funds when practical. PROJECT OYSTER 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 OYSTER. 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 OYSTER 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 OYSTER 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 OYSTER 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 OYSTER”

By: _____

“GO TOPEKA”

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

By: _____

Print Name: Molly Howey

Title: Senior V.P., Economic Development

City of Topeka & Shawnee County



Agenda Item No. 3C

**JEDO Board Meeting
September 9, 2020**

ACTION ITEM:
Approval of Project Prince Incentive Agreement

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, President

PROJECT PRINCE

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

WHEREAS, PROJECT PRINCE is contemplating investing approximately Thirty-One Million Four Hundred Thousand Dollars (\$31,400,000.00) to construct improvements to its facilities, and equip additional production space in Shawnee County, Kansas; and

WHEREAS, PROJECT PRINCE intends to expand its operations and, in the process, create thirty-three (33) full time jobs over the next approximately five (5) years; and

WHEREAS, GO TOPEKA desires to assist and promote PROJECT PRINCE by offering up to Three Hundred Forty-One Thousand Dollars (\$341,000.00) in employment, training and investment incentives; and

WHEREAS, PROJECT PRINCE 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 PRINCE an employment incentive of up to Two Hundred Fourteen Thousand Five Hundred Dollars (\$214,500) (the “Employment Incentive”) for new Full Time Employment Positions created by PROJECT PRINCE 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:

<u>Annual Compensation</u>	<u>Total Employment Incentive</u>	<u>Per Year</u>
• \$56,000 or more	\$6,500	\$1,300

A Full Time Employment Position receiving compensation of less than \$56,000.00 annually is not eligible for an Employment Incentive.

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 PRINCE 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 PRINCE, 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 PRINCE 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 PRINCE 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 PRINCE as of February 4, 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 PRINCE 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 Two Hundred Fourteen Thousand Five Hundred Dollars (\$214,500) in the aggregate. To qualify for the Employment Incentive, the Full Time Employment Positions must commence on or after February 4, 2020 and be hired and receiving compensation by February 3, 2025. The Employment Incentives shall not exceed Forty-Two Thousand Nine Hundred Dollars (\$42,900) 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 February 4, 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 February 3, 2025 will be eligible to receive the first incentive payment installment in 2025;

provided, however, that PROJECT PRINCE 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 PRINCE'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 PRINCE hires throughout the period between February 4, 2020 and December 31, 2020 six (6) new Full Time Employment Positions receiving compensation of at least \$56,000, it would be eligible to receive an Employment Incentive

installment in the amount of \$7,800 (6 x \$1,300) in 2021 upon receipt and verification of appropriate documentation.

2. Employment Incentive Calculation Documentation. When and as reasonably requested by GO TOPEKA, PROJECT PRINCE 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 PRINCE'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 PRINCE 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 PRINCE may earn an Employee Training Incentive in an amount not to exceed Thirty-Three Thousand Dollars (\$33,000.00) (the "Employee Training Incentive"). GO Topeka shall reimburse PROJECT PRINCE 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 February 4, 2020 to February 3, 2025 in accordance with the following provisions. PROJECT PRINCE 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 thirty-three (33), created by PROJECT PRINCE. An Employee Training Incentive payment may be made to PROJECT PRINCE starting in 2021 for training costs incurred by any full time employee (new or existing) at PROJECT PRINCE after February 4,2020 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 PRINCE in the previous eligible year (for example, if PROJECT PRINCE created six (6) new Full Time Employment Positions in 2020, PROJECT PRINCE could receive a reimbursement of up to \$6,000 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 February 3, 2025 based on the previous year's job creation and verifiable training costs. GO TOPEKA shall not

reimburse PROJECT PRINCE for incidental costs associated with training such as travel expenses, meals, and lodging.

4. Facilities and Equipment Investment Incentive. For each Three Million One Hundred Forty Dollars (\$3,140,000.00) in expenditure for the improvement of facilities including the purchase of equipment to be housed at its facilities located in Shawnee County, Kansas made by PROJECT PRINCE in Topeka, Shawnee County, Kansas up to but not to exceed a total capital investment of Thirty-One Million Four Hundred Thousand Dollars (\$31,400,000.00) GO TOPEKA shall pay an incentive to PROJECT PRINCE of Nine Thousand Three Hundred Fifty Dollars (\$9,350.00) (The “Real Estate and Equipment Investment Incentive”). The aggregate of said real estate and equipment investment incentive payments shall not exceed Ninety-Three Thousand Five Hundred Dollars (\$93,500.00). The real estate and equipment investment incentive payments shall be made to PROJECT PRINCE upon GO TOPEKA’s receipt of any and all appropriate documentary evidence showing capital investment in the facilities for the construction or renovation of improvements thereon and the purchase of said equipment.

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

6. Termination. If PROJECT PRINCE fails to maintain at least a minimum of _____ Full Time Employment Position in Shawnee County, Kansas, in any calendar year, between February 4, 2020 and February 3, 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 PRINCE 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 PRINCE 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 PRINCE shall provide prompt advance notice to GO TOPEKA of any material change in PROJECT PRINCE's ownership, control or management, including issues of insolvency or bankruptcy, or other material changes that could reasonably result in a default by PROJECT PRINCE 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 PRINCE 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 PRINCE 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 PRINCE.

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 PRINCE advance notice of any reduction of funds when practical. PROJECT PRINCE 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 PRINCE. 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 PRINCE 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 PRINCE 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 PRINCE 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 PRINCE”

By: _____

“GO TOPEKA”

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

By: _____

Print Name: Molly Howey

Title: President

City of Topeka & Shawnee County



Agenda Item No. 3D

**JEDO Board Meeting
September 9, 2020**

ACTION ITEM:
APPROVAL of Incentive Funding for Project Vita



MEMORANDUM

To: JEDO Board

From: Barbara Stapleton, VP Business Retention & Talent Initiatives

Date: 9.1.2020

RE: Project Vita Incentive Request

GO Topeka staff has been working with an expanding company (Project Vita) that is growing and expanding in our community. The GO Topeka Board Executive Committee approved incentive funding on August 20, 2020. We are seeking JEDO approval of the proposed incentives. Below is a summary of the project and the requested incentive package:

Project Vita Summary

Industry Type: Life Sciences

Capital Investment: \$1.5M

Average Wage: \$85,000 annually, plus benefits

Number of Jobs: 7 new jobs over five years

Incentive Proposal

In the growth and expansion of Project Vita in Shawnee County, Kansas, an expected addition of up to 7 new full-time jobs, with an average salary of \$85,000 plus benefits, GO Topeka proposes up to \$9,500 per new job in performance-based cash incentives. The job incentives will be paid out in equal installments annually over five years, not to exceed \$66,500 in aggregate. In addition, a training incentive in the amount of \$1,000 per new employee will be offered to the company as part of the package. Capital Investment includes facility improvement expenditures and equipment purchases of \$1.5 million.

All proposed incentives are performance-based, to be paid out as earned and details of the agreement will be outlined via a formal agreement with the company.

Below is a breakdown of the proposed incentives:

\$1.5M in Capital Investments =	\$ 3,000
\$9,500 per job X 7 new jobs =	\$ 66,500
\$1,000 per new employee for training =	\$ 7,000
<u>TOTAL PROPOSED INCENTIVE =</u>	<u>\$ 76,500</u>

City of Topeka & Shawnee County



Agenda Item No. 3E

**JEDO Board Meeting
September 9, 2020**

ACTION ITEM:
Approval of Incentive Funding for Project Vertical



MEMORANDUM

To: JEDO Board

From: Barbara Stapleton, VP Business Retention & Talent Initiatives

Date: 9.1.2020

RE: Project Vertical Incentive Request

GO Topeka staff has been working with a company (Project Vertical) that is growing and expanding in our community. The GO Topeka Board Executive Committee approved incentive funding on 9.1.2020. We are seeking JEDO approval of the proposed incentives. Below is a summary of the project and the requested incentive package:

Project Vertical Summary

Industry Type: Manufacturing

Capital Investment: \$6.6M

Average Wage: \$43,000 annually, plus benefits

Number of Jobs: 40 new jobs over five years

Incentive Proposal

In the growth and expansion of Project Vertical in Shawnee County, Kansas, there is an expected addition of up to 40 new full-time jobs, with salary ranges depending on positions between \$40,000 and \$70,000 plus benefits. GO Topeka proposes up to \$7,000 per new job proportionate to salary and in alignment with our guidelines, thus the incentive paid on each job is variable in relation to pay, with a maximum paid for a single job of \$7,000. The job incentives will be paid out in equal installments (1/5 of each qualified job incentive) annually over five years, not to exceed \$175,000 in aggregate. In addition, a training incentive in the amount of \$1,000 per new employee will be offered to the company as part of the package. Capital Investment includes building and facility improvement expenditures and equipment purchases of \$6.6 million.

All proposed incentives are performance-based, to be paid out as earned and details of the agreement will be outlined via a formal agreement with the company.

Below is a breakdown of the proposed incentives:

\$6.6M in Capital Investments =	\$ 19,000
\$4,000 per job X 31 new jobs =	\$ 124,000
\$5,000 per job X 6 new jobs =	\$ 30,000
\$7,000 per job X 3 new jobs =	\$ 21,000
\$1,000 per new employee for training =	\$ 40,000
<u>TOTAL PROPOSED INCENTIVE =</u>	<u>\$ 234,000</u>

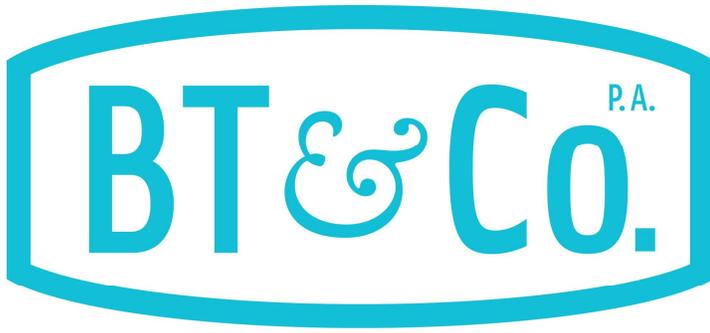
City of Topeka & Shawnee County



Agenda Item No. 3F

**JEDO Board Meeting
September 9, 2020**

**ACTION ITEM:
APPROVAL of GO Topeka Audit**



Certified Public Accountants

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE
COUNTY, INC. & SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. & SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary
Topeka, Kansas

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary as of December 31, 2019 and 2018, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 2 to the consolidated financial statements, the Organization has changed its method of accounting for revenue recognition effective January 1, 2019 due to the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* and FASB Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 24-27 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information for the years ended December 31, 2019 and 2018 is fairly stated, in all material respects, in relation to the financial statements as a whole.

BT & Co., P.A.

Topeka, Kansas
August 28, 2020

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 6,586,400	\$ 8,225,065
ETLC restricted cash	3,551,296	5,098,648
Restricted funds	1,477,447	1,701,636
Investments	6,119,422	5,996,560
Grants receivable	10,340	22,302
Accounts receivable	12,412	830
Prepaid expenses	54,152	54,755
Due from 712 Innovations	60	60
Total current assets	<u>17,811,529</u>	<u>21,099,856</u>
Property and equipment, net	4,444,849	2,640,637
Other assets:		
Land held for economic development	6,873,590	7,307,656
Total assets	<u>\$ 29,129,968</u>	<u>\$ 31,048,149</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Deferred grant revenue - JEDO	\$ 13,396,289	\$ 13,202,699
Accounts payable	193,504	105,456
Grants payable	-	2,012,500
Due to Greater Topeka Chamber of Commerce	6,318	6,318
Due to Greater Topeka Partnership Foundation	9,500	9,500
Due to Greater Topeka Partnership	151,481	189,829
Improvement and training incentives	1,477,447	1,557,636
Total current liabilities	<u>15,234,539</u>	<u>17,083,938</u>
Other liabilities:		
KFCP Improvement and Fire Station Fund	798,582	357,769
Long-term debt, net of loan fees	6,173,355	6,163,628
Total liabilities	<u>22,206,476</u>	<u>23,605,335</u>
Net assets:		
Without donor restrictions		
Undesignated	49,902	(32,397)
Board designated	6,873,590	7,475,211
Total net assets	<u>6,923,492</u>	<u>7,442,814</u>
Total liabilities and net assets	<u>\$ 29,129,968</u>	<u>\$ 31,048,149</u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
Support and revenues:			
JEDO grant revenue	\$ 4,820,010	\$ -	\$ 4,820,010
Private contributions and pledges	41,208	-	41,208
Other grant revenue	42,193	-	42,193
Other income	121,680	-	121,680
Sponsorship revenue	80,675	-	80,675
Event revenue	20,738	-	20,738
Interest and investment income	159,731	-	159,731
Affiliate support revenue	407,864	-	407,864
Total support and revenues:	<u>5,694,099</u>	<u>-</u>	<u>5,694,099</u>
Expenses:			
Program expenses:			
Economic development	4,704,332	-	4,704,332
East Topeka Learning Center	723,078	-	723,078
Total program expenses	<u>5,427,410</u>	<u>-</u>	<u>5,427,410</u>
Supporting services expense:			
General and administrative expenses	786,011	-	786,011
Total supporting expense	<u>786,011</u>	<u>-</u>	<u>786,011</u>
Total expenses	<u>6,213,421</u>	<u>-</u>	<u>6,213,421</u>
Change in net assets	(519,322)	-	(519,322)
Net assets, beginning of year	<u>7,442,814</u>	<u>-</u>	<u>7,442,814</u>
Net assets, end of year	<u>\$ 6,923,492</u>	<u>\$ -</u>	<u>\$ 6,923,492</u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
JEDO grant revenue	\$ 8,803,533	\$ -	\$ 8,803,533
Private contributions and pledges	16,153	(12,600)	3,553
Other grant revenue	46,481	-	46,481
Other income	41,352	-	41,352
Sponsorship revenue	33,836	-	33,836
Event revenue	26,072	-	26,072
Interest and investment income	98,072	-	98,072
Affiliate support revenue	629,205	-	629,205
Total support and revenues:	<u>9,694,704</u>	<u>(12,600)</u>	<u>9,682,104</u>
Expenses:			
Program expenses:			
Economic development	8,602,491	-	8,602,491
East Topeka Learning Center	287,674	-	287,674
Total program expenses	<u>8,890,165</u>	<u>-</u>	<u>8,890,165</u>
Supporting services expense:			
General and administrative expenses	2,182,738	-	2,182,738
Total supporting expense	<u>2,182,738</u>	<u>-</u>	<u>2,182,738</u>
Total expenses	<u>11,072,903</u>	<u>-</u>	<u>11,072,903</u>
Change in net assets	(1,378,199)	(12,600)	(1,390,799)
Net assets, beginning of year	<u>8,821,013</u>	<u>12,600</u>	<u>8,833,613</u>
Net assets, end of year	<u>\$ 7,442,814</u>	<u>\$ -</u>	<u>\$ 7,442,814</u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	<u>Economic Development</u>	<u>East Topeka Learning Center</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Personnel costs	\$ 609,765	\$ -	\$ 160,118	\$ 769,883
Shared services	-	-	445,558	445,558
Dues and subscriptions	46,598	479	17,189	64,266
Supplies, printing and postage	17,456	-	6,833	24,289
Rent	14,812	-	50,825	65,637
Events	31,955	-	16	31,971
Hospitality and promotions	86,371	-	1,780	88,151
Advertising and research	304,897	-	4,510	309,407
Professional services and contract labor	193,497	13,510	60,270	267,277
Office expenses	14,865	3,742	19,393	38,000
Repair and maintenance	15,677	-	12	15,689
Depreciation and amortization	-	52,535	7,122	59,657
Professional development and training	81,071	-	2,208	83,279
Insurance, taxes and fees	53,557	112,812	10,177	176,546
Grants and new initiatives	1,652,022	540,000	-	2,192,022
Large incentives	1,581,789	-	-	1,581,789
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 4,704,332</u>	<u>\$ 723,078</u>	<u>\$ 786,011</u>	<u>\$ 6,213,421</u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	<u>Economic Development</u>	<u>East Topeka Learning Center</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Personnel costs	\$ 815,725	\$ -	\$ 323,964	\$ 1,139,689
Dues and subscriptions	36,872	-	8,972	45,844
Supplies, printing and postage	17,501	-	9,646	27,147
Rent	17,545	-	67,203	84,748
Events	44,436	-	1,279	45,715
Hospitality and promotions	84,672	-	12,160	96,832
Advertising and research	238,263	-	39,210	277,473
Professional services and contract labor	202,741	-	106,438	309,179
Office expenses	30,400	405	75,485	106,290
Repair and maintenance	7,463	-	20	7,483
Depreciation and amortization	-	4,082	635	4,717
Professional development and training	81,406	-	7,309	88,715
Insurance, taxes and fees	22,773	-	5,294	28,067
Interest expense	-	33,187	-	33,187
Grants and new initiatives	6,702,054	250,000	-	6,952,054
Contributions	-	-	1,525,123	1,525,123
Large incentives	300,640	-	-	300,640
	<u>300,640</u>	<u>-</u>	<u>-</u>	<u>300,640</u>
Total expenses	<u>\$ 8,602,491</u>	<u>\$ 287,674</u>	<u>\$ 2,182,738</u>	<u>\$11,072,903</u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Contributions, grants and other support	\$ 5,728,339	\$ 5,778,009
Cash paid to employees and suppliers	(5,993,776)	(9,095,883)
Cash incentives paid	(1,661,978)	(348,640)
Interest and dividends received	159,730	98,072
Interest paid	(89,856)	-
Net cash flows from operating activities	<u>(1,857,541)</u>	<u>(3,568,442)</u>
Cash flows from investing activities:		
Net purchases of investments	(122,862)	(80,687)
Purchase of property and equipment	(1,863,869)	(2,641,272)
Reimbursements received on land held for investment	434,066	-
Proceeds from long-term debt	-	6,500,000
Loan origination fees	-	(340,454)
Net cash flows from investing activities	<u>(1,552,665)</u>	<u>3,437,587</u>
Net decrease in cash, cash equivalents and restricted cash	(3,410,206)	(130,855)
Cash, cash equivalents and restricted cash at beginning of year	<u>15,025,349</u>	<u>15,156,204</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 11,615,143</u>	<u>\$ 15,025,349</u>
Cash, cash equivalents and restricted cash includes:		
Cash and cash equivalents	\$ 6,586,400	\$ 8,225,065
ETLC restricted cash	3,551,296	5,098,648
Restricted funds	<u>1,477,447</u>	<u>1,701,636</u>
	<u>\$ 11,615,143</u>	<u>\$ 15,025,349</u>

See accompanying notes to the consolidated financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2019

1 - History and Organization

The Growth Organization of Topeka/Shawnee County, Inc. was organized to encourage business and industry to locate and develop within the greater Topeka area and to otherwise promote the common economic interest of greater Topeka. The Organization receives funding primarily through a grant from the Joint Economic Development Organization (JEDO) and by donations from the business community.

In 2018, the Growth Organization of Topeka/Shawnee County, Inc. set up and became the sole member of the GO Topeka ETLC Support Corporation. This entity was set up to hold and finance the East Topeka Learning Center project.

Together, the entities will be referred to as the Organization throughout the footnotes.

2 - Summary of Significant Accounting Policies

Basis of Reporting

Assets, liabilities, net assets, revenues, and expenses are recognized on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent the portion of funds currently available to support the Organization's operations. The Organization's Board of Directors may designate a portion of net asset without donor restrictions to be used for certain purposes or projects. At December 31, 2019 and 2018, the Board has designated net assets for future incentives related to land held for economic development and certain amounts funded to restricted escrow accounts.

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions. Resources that are restricted but have the restrictions met in the same period are reported as net assets without donor restrictions.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2 - Summary of Significant Accounting Policies (Continued)

Consolidation

The financial statements of Growth Organization of Topeka/Shawnee County, Inc. and GO Topeka ETLIC Support Corporation are consolidated in the financial statements. All intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

Revenue from programs, events and other program services is recognized at the point in time the event or program is held.

A significant portion of the Organization's revenue is derived from contracts and grants with local governments, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization has deemed sponsorships and affiliate support revenue to be conditional contributions, and they are accounted for accordingly.

At December 31, 2019, conditional contributions, grants and contracts of \$ 13,397,244, for which \$ 13,396,289 has been received in advance, have not been recognized in the accompanying financial statements.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

The Organization's customers consist of local government agencies and private customers, primarily located within the state of Kansas. For government grants and contracts, future cash flows depend on the Organization's ability to continue to obtain local government contracts, and indirectly on the amount of funding available to these agencies for new and current government projects. Therefore, a portion of the Organization's operations is dependent upon the level and timing of government funding. As it relates to private customers, credit risk is mitigated because payment is received before, shortly after or at the time the goods or services are provided. For those program services provided before payment is received, continuing services will be considered for termination for significant non-payment, limiting future credit risk.

Fair Value Measurement

Assets recorded at fair value on the statement of financial position are categorized based upon the level of observability associated with the inputs used to measure their fair value. Fair value is defined as the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The availability of unobservable in the market, the determination of fair value requires more judgment.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.
- Level 2 – Inputs are other than quoted prices in active markets that are observable for the asset, either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 – Inputs are unobservable and significant to the asset, and include situations where there is little, if any, market activity.

Management endeavors to utilize the best available information in measuring fair value.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2 - Summary of Significant Accounting Policies (Continued)

Investments

The Organization invests in U.S. government securities money market funds, certificates of deposit and U.S. government securities. Investments, other than certificate of deposits, are stated at fair value. Certificates of deposit are carried at costs plus interest credited to date. Realized and unrealized gains and losses, dividends and interest on investments are reflected in the statement of activities.

Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks in the near term could materially affect investments and the amounts reported in the statements of financial position.

Management Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Land Held for Economic Development

The Organization holds land for the development of the Kanza Fire and Central Crossing Commerce Parks in southwest Topeka, Kansas. The acquisition cost of the land and certain types of improvements are recorded as an asset on the Consolidated Statement of Financial Position. Maintenance and certain utility extension costs that result in benefits beyond the park development are expensed as incurred. Management annually reviews the land held for economic development to determine whether carrying values have been impaired.

Land held for economic development is a board designated asset.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2 - Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Organization capitalizes all expenditures in excess of \$ 1,000 for property and equipment at cost. Depreciation is determined on the straight-line basis, with estimated useful lives as follows:

Equipment	5 years
Furniture and fixtures	7 years
Building	39 years

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expenses as incurred.

Income taxes

The Growth Organization of Topeka/Shawnee County, Inc. is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code and GO Topeka ETLIC Support Corporation is exempt from federal income tax under Section 501(c)(3). The Organizations are exempt from federal income taxes pursuant to Section 501(a) of the Code and have been classified as other than a private foundation.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis. All expenses are identified with a specific program or support service and are charged directly to that program or support service. There are no costs allocated across multiple functions. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Cash Defined for Statements of Cash Flows

For purposes of the statement of cash flows, the Organization considers cash held in commercial banks with original maturities of three months or less to be cash and cash equivalents.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2 - Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

FASB Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization has implemented Topic 606 and have adjusted the presentation in these consolidated financial statements accordingly. The Organization adopted the new standard effective January 1, 2019, the first day of the Organization's current fiscal year using the modified retrospective approach. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenues, and therefore no changes were required to opening net assets.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying consolidated financial statements under a modified prospective basis. Accordingly, there is no effect on opening net assets in connection with the implementation of ASU 2018-08.

As part of the adoption of the ASC, the Organization elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. This amendment is effective for fiscal years beginning after December 15, 2018 with early adoption permitted. The Organization adopted the ASU effective January 1, 2019. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2 - Summary of Significant Accounting Policies (Continued)

Pending Accounting Pronouncement

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Management is currently evaluating the effect that the standard will have on the financial statements.

3 - Concentrations of Credit Risk

Cash and cash equivalents include repurchase agreements with a local bank. The repurchase agreements represent ownership interest in Federal Agency securities. Other bank deposits are generally maintained within FDIC-insured limits.

4 - Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, are:

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 6,586,400	\$ 8,225,065
Investments	6,119,422	5,996,560
Grants receivable	10,340	22,302
Accounts receivable	12,412	830
Amounts available for general expenditures within one year	\$ 12,728,574	\$ 14,244,757

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

4 - Availability and Liquidity (Continued)

In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting revenue to cover a majority of the general expenditures. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

5 - Investments and Fair Value

The following table summarizes the investments recorded at fair value based on valuation hierarchy as of December 31, 2019:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market fund	\$ 3,351,777	\$3,351,777	\$ -	\$ -
U.S. Treasury Notes	280,559	280,559	-	-
U.S. Treasury Bill	149,472	149,472	-	-
Total fair value	3,781,808	<u>\$3,781,808</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of deposit (cost)	<u>2,337,614</u>			
Total investments	<u>\$ 6,119,422</u>			

The following table summarizes the investments recorded at fair value based on valuation hierarchy as of December 31, 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market fund	\$ 3,193,652	\$3,193,652	\$ -	\$ -
Total fair value	3,193,652	<u>\$3,193,652</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of deposit (cost)	<u>2,802,908</u>			
Total investments	<u>\$ 5,996,560</u>			

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

5 - Investments and Fair Value (Continued)

The fair value of the money market fund is based on the carrying value of the accounts due to its short maturity, high liquidity, and low risk of default.

U.S. Treasury notes and bills are valued at quoted market prices multiplied by the quantity held when quoted market prices are observable.

There have been no changes in the methodologies used at December 31, 2019. There were no transfers between the levels during the year. The Organization's policy is to only recognize transfers in and out of the levels at the end of the fiscal year; interim changes in the fair value inputs are not recognized.

6 - Property and Equipment

Property and equipment consist of the following as of December 31,:

	<u>2019</u>	<u>2018</u>
Cost:		
Land	\$ 251,909	\$ 251,909
Buildings	4,202,776	2,342,722
Furniture and fixtures	42,308	42,308
Equipment	<u>8,148</u>	<u>4,333</u>
Total property and equipment	4,505,141	2,641,272
Accumulated depreciation	<u>(60,292)</u>	<u>(635)</u>
Net property and equipment	<u><u>\$ 4,444,849</u></u>	<u><u>\$ 2,640,637</u></u>

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

7 - Land Held for Economic Development

The Organization owns a portion of land at the Kanza Fire and Central Crossing Commerce Parks in southwest Topeka, Kansas. The land is available for the Organization to transfer to companies for economic development.

8 - Restricted Cash and Funds

Restricted funds represent amounts held in an escrow account for certain property improvements, training, and employment incentives. The following is a summary of restricted funds:

	<u>2019</u>	<u>2018</u>
Balance, January 1	\$ 1,701,636	\$ 2,113,181
Payments from escrow	(227,181)	(413,993)
Interest and other	2,992	2,448
	<u>1,477,447</u>	<u>1,701,636</u>
Balance, December 31	<u>\$ 1,477,447</u>	<u>\$ 1,701,636</u>

Restricted cash of \$ 3,551,296 and \$ 5,098,648, as of December 31, 2019 and 2018, respectively, represents amounts held in escrow accounts for the specific purpose of funding the East Topeka Learning Center project.

9 - KFCP Improvement and Fire Station Fund

The Organization has an agreement with Mars requiring an amount equal to 10% of their annual property tax abatement to be paid by Mars to the Organization. The funds are to be used for Kanza Fire Commerce Park improvements and a fire station to serve the park.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

10 - Long-Term Debt

GO Topeka ETLC Support Corporation has two notes payable with Partnerships of Hope XXI, LLC for a total of \$ 6,500,000. The terms of both notes are the same with an interest rate of 1.127641% and a maturity date of July 2053. Interest only payments will be paid out on a quarterly basis on the 5th of March, June, September and December until September 5, 2027. On September 5, 2027, both interest and principal quarterly payments will begin. The notes are collateralized by the East Topeka Learning Center building.

Growth Organization of Topeka/Shawnee County, Inc. is the guarantor on the notes payable. These notes payable are intended to constitute a qualified low-income community investment for the lender and as such GO Topeka ETLC Support Corporation is required to maintain the status of a qualified active low-income community business throughout the terms of the loans.

As of December 31, 2019, debt maturities are as follows:

2020	\$	-
2021		-
2022		-
2023		-
2024		-
Thereafter		6,500,000
Less: loan fees		(326,645)
		<hr/>
Total	\$	<u>6,173,355</u>

11 - Related Party Transactions

The Greater Topeka Partnership became the sole member of the Organization, effective January 1, 2018. The initial partners in the Greater Topeka Partnership include Downtown Topeka, Inc., the Greater Topeka Chamber of Commerce, Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary, and Visit Topeka. The Greater Topeka Partnership holds the controlling interest of the Greater Topeka Partnership Foundation. The Foundation is the sole member of The Topeka/Shawnee County First Opportunity Fund, LLC, Heartland Visioning, LLC, and 712 Innovations, LLC. The Greater Topeka partnership holds funds for the Governor's Military Council in 2018, however, these funds were transferred to the State of Kansas during the 2019 fiscal year.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

11 - Related Party Transactions (Continued)

The purpose of the Greater Topeka Partnership is to foster economic development and improve the quality of life in Topeka and Shawnee County, Kansas.

Due to/from:

The Organization has entered into an agreement with The Greater Topeka Partnership. On a monthly basis, the Greater Topeka Partnership pays for certain operational expenses and requests reimbursement from the Organization. These operational expenses consist of the Organization's dedicated employees' salaries and benefits, shared services employees' salaries and benefits, office rent, parking rent, payment for company credit cards, fixed asset purchases, accounting support, marketing, and any other expense in which it is deemed appropriate to be allocated across all of the subsidiaries of the Greater Topeka Partnership. The allocation was determined by completing an annual employee time allocation study. The Organization owes the Greater Topeka Partnership \$ 151,481 at December 31, 2019, which is comprised \$ 101,415 for payroll paid for the Organization, \$ 5,474 in purchases and \$ 62,735 for shared operating expenses including office and parking rent, less the amount owed to the Organization by the Greater Topeka Partnership of \$ 18,143 for revenue collected by the Greater Topeka Partnership on their behalf. The Organization owed the Greater Topeka Partnership \$ 189,829 at December 31, 2018, which is comprised of \$ 14,640 for pledges collected on their behalf, \$ 2,799 for bonuses, \$ 84,074 for payroll paid for the Organization, \$ 40,436 in fixed asset purchases and \$ 47,880 for shared operating expenses including office and parking rent.

At December 31, 2019 and 2018, the Organization owed the Greater Topeka Chamber of Commerce \$ 6,318, for reimbursement of expenses and fees for participation in Chamber events and programs.

At December 31, 2019 and 2018, the Organization owed \$ 9,500 to the Greater Topeka Partnership Foundation for pledges collected on their behalf.

At December 31, 2019 and 2018, the Organization had an amount due from 712 Innovations for \$ 60.

Revenue:

The Organization received contributions of \$ 407,864 and \$ 629,205, during the years ended December 31, 2019 and 2018, respectively from the Greater Topeka Partnership for affiliate support and reimbursement of expenses paid with private dollars.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

11 - Related Party Transactions (Continued)

Expense:

The Organization made a contribution in the amount of \$ 100,000 during the years ended December 31, 2019 and 2018, respectively to 712 Innovations, LLC, a subsidiary of the Greater Topeka Partnership Foundation. 712 Innovations, LLC was established to provide a makerspace/co-work space for economic development.

The Organization's lease payments based on its proportionate share of space under a lease agreement between Security National Properties and the Greater Topeka Partnership totaled \$ 57,632 and \$ 61,592 for the years ended December 31, 2019 and 2018, respectively. The Organization estimates that annual lease payments on its proportionate share of the space leased by the Greater Topeka Partnership will be between approximately \$ 60,000 and \$ 64,000 for each of the next five years.

12 - JEDO Grant

JEDO is a separate legal entity authorized by Kansas Statute 12-2904(a) which was created by an inter-local agreement between the Board of Commissioners of Shawnee County and the City of Topeka. The Organization has an agreement with JEDO that provides for a grant to the Organization for the purpose of providing economic development services, including research, target marketing, existing business retention and expansion, new business recruitment, minority and women-owned businesses, infrastructure development, site acquisition and development, incentive funds, workforce training and expansion, and other such activities deemed necessary and appropriate. The term of the agreement was for one year with options to extend for successive periods of one year each unless either party terminates the agreement. During 2017, JEDO approved a new grant agreement with the Organization for a three - year period commencing January 1, 2018. During 2019, JEDO approved a grant amendment allowing the contract to renew automatically every December, unless objections are brought forward.

JEDO has approved the carryover of the 2019 and 2018 unexpended grant funds. This carryover is included in the deferred JEDO grant revenue at December 31, 2019 and 2018, and includes approximately \$ 1,380,000 and \$ 1,160,000, for the minority and women-owned business program at December 31, 2019 and 2018, respectively.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

13 - Concentrations and Major Customers

The Organization received 85% and 91% of their total revenue from a grant with the Joint Economic Development Organization (JEDO) for the years ended December 31, 2019 and 2018, respectively. In the event this grant was discontinued, the activities of the Organization would be curtailed accordingly.

14 - 401(k) Retirement Plan

The Organization established a 401(k) retirement plan in which eligibility is reached when an employee has completed ninety days of continuous employment and is over the age 21. The 401(k) retirement plan is sponsored by the Greater Topeka Partnership.

The Organization's 401(k) retirement plan expense was \$ 38,146 and \$ 49,019 for the years ended December 31, 2019 and 2018, respectively.

15 - Incentives

The Organization enters into various incentive agreements covering several years and generally requiring maintenance of employment levels and other obligations. For the years ended December 31, 2019 and 2018, the Organization paid a net amount of \$ 1,661,978 and \$ 348,640 for cash incentives and amounts recouped from employers that did not maintain employment levels or meet other requirements.

At December 31, 2019, the Organization also has outstanding contingent incentive commitments to various companies expected to be payable as follows:

2020	\$	114,400
2021		1,148,800
2022		713,800
2023		696,200
2024		431,400
Thereafter		<u>350,000</u>
Total	\$	<u><u>3,454,600</u></u>

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

15 - Incentives (Continued)

Improvements and training incentive liability includes the following at December 31,:

	2019	2018
Funded and held in escrow (see Note 8)	\$ 1,477,447	\$ 1,701,636
Less board designated employment incentive	-	(144,000)
Balance, December 31	\$ 1,477,447	\$ 1,557,636

16 - Subsequent Events

The Organization has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements are available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the Organization. Accordingly, while management cannot quantify the financial and other impacts to the Organization as of December 31, 2019, management believes that a material impact on the Organization's financial position and results of future operations is reasonably possible.

Additionally, it is reasonably possible that estimates made in the Organization's financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including a significant decrease in revenue.

SUPPLEMENTARY INFORMATION

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2019

	Growth Organization of Topeka/Shawnee County, Inc.	GO Topeka ETLC Support Corporation	Eliminations	Consolidated
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 6,586,400	\$ -	\$ -	\$ 6,586,400
ETLC restricted cash	-	3,551,296	-	3,551,296
Investments	6,119,422	-	-	6,119,422
Grants receivable	10,340	-	-	10,340
Accounts receivable	12,412	-	-	12,412
Prepaid expenses	54,152	-	-	54,152
Due from 712 Innovations	60	-	-	60
Restricted funds	1,477,447	-	-	1,477,447
Total current assets	<u>14,260,233</u>	<u>3,551,296</u>	<u>-</u>	<u>17,811,529</u>
Property and equipment, net	<u>42,699</u>	<u>4,402,150</u>	<u>-</u>	<u>4,444,849</u>
Other assets:				
Land held for economic development	<u>6,873,590</u>	<u>-</u>	<u>-</u>	<u>6,873,590</u>
Total other assets	<u>6,873,590</u>	<u>-</u>	<u>-</u>	<u>6,873,590</u>
Total assets	<u>\$ 21,176,522</u>	<u>\$ 7,953,446</u>	<u>\$ -</u>	<u>\$ 29,129,968</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Deferred grant revenue - JEDO	13,396,289	-	\$ -	\$ 13,396,289
Accounts payable	182,655	10,849	-	193,504
Grants payable	-	-	-	-
Due to Greater Topeka Chamber of Commerce	6,318	-	-	6,318
Due to Greater Topeka Partnership Foundation	9,500	-	-	9,500
Due to Greater Topeka Partnership	151,481	-	-	151,481
Intercompany due to/from	(2,729,244)	2,729,244	-	-
Improvement and training incentives	1,477,447	-	-	1,477,447
Total current liabilities	<u>12,494,446</u>	<u>2,740,093</u>	<u>-</u>	<u>15,234,539</u>
Other liabilities:				
KFCP Improvement and Fire Station Fund	798,582	-	-	798,582
Long-term debt, net of loan fees	-	6,173,355	-	6,173,355
Total liabilities	<u>13,293,028</u>	<u>8,913,448</u>	<u>-</u>	<u>22,206,476</u>
Net assets:				
Without donor restrictions				
Undesignated	1,009,904	(960,002)	-	49,902
Board designated	6,873,590	-	-	6,873,590
Total net assets	<u>7,883,494</u>	<u>(960,002)</u>	<u>-</u>	<u>6,923,492</u>
Total liabilities and net assets	<u>\$ 21,176,522</u>	<u>\$ 7,953,446</u>	<u>\$ -</u>	<u>\$ 29,129,968</u>

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2018

	Growth Organization of Topeka/Shawnee County, Inc.	GO Topeka ETLC Support Corporation	Eliminations	Consolidated
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 8,225,065	\$ -	\$ -	\$ 8,225,065
ETLC Restricted Cash	-	5,098,648	-	5,098,648
Investments	5,996,560	-	-	5,996,560
Grants receivable	22,302	-	-	22,302
Accounts receivable	830	-	-	830
Prepaid expenses	54,755	-	-	54,755
Due from 712 Innovations	60	-	-	60
Restricted funds	1,701,636	-	-	1,701,636
Total current assets	<u>16,001,208</u>	<u>5,098,648</u>	<u>-</u>	<u>21,099,856</u>
Property and equipment, net	<u>46,006</u>	<u>2,594,631</u>	<u>-</u>	<u>2,640,637</u>
Other assets:				
Land held for economic development	<u>7,307,656</u>	<u>-</u>	<u>-</u>	<u>7,307,656</u>
Total other assets	<u>7,307,656</u>	<u>-</u>	<u>-</u>	<u>7,307,656</u>
Total assets	<u>\$ 23,354,870</u>	<u>\$ 7,693,279</u>	<u>\$ -</u>	<u>\$ 31,048,149</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Deferred grant revenue - JEDO	13,202,699	-	\$ -	\$ 13,202,699
Accounts payable	46,206	59,250	-	105,456
Grants payable	2,012,500	-	-	2,012,500
Due to Greater Topeka Chamber of Commerce	6,318	-	-	6,318
Due to Greater Topeka Partnership Foundation	9,500	-	-	9,500
Due to Greater Topeka Partnership	189,829	-	-	189,829
Intercompany due to/from	(1,754,441)	1,754,441	-	-
Improvement and training incentives	1,557,636	-	-	1,557,636
Total current liabilities	<u>15,270,247</u>	<u>1,813,691</u>	<u>-</u>	<u>17,083,938</u>
Other liabilities:				
KFCP Improvement and Fire Station Fund	357,769	-	-	357,769
Long-term debt, net of loan fees	-	6,163,628	-	6,163,628
Total liabilities	<u>15,628,016</u>	<u>7,977,319</u>	<u>-</u>	<u>23,605,335</u>
Net assets:				
Without donor restrictions				
Undesignated	251,643	(284,040)	-	(32,397)
Board designated	7,475,211	-	-	7,475,211
Total net assets	<u>7,726,854</u>	<u>(284,040)</u>	<u>-</u>	<u>7,442,814</u>
Total liabilities and net assets	<u>\$ 23,354,870</u>	<u>\$ 7,693,279</u>	<u>\$ -</u>	<u>\$ 31,048,149</u>

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

	Growth Organization of Topeka/Shawnee County, Inc.				GO Topeka ETLC Support Corporation				Consolidated			
	Without donor restrictions	With donor restrictions	Eliminations	Total	Without donor restrictions	With donor restrictions	Eliminations	Total	Without donor restrictions	With donor restrictions	Eliminations	Total
Support and revenues:												
JEDO grant revenue	\$ 4,820,010	\$ -	\$ -	\$ 4,820,010	\$ -	\$ -	\$ -	\$ -	\$ 4,820,010	\$ -	\$ -	\$ 4,820,010
Private contributions and pledges	1,208	-	-	1,208	40,000	-	-	40,000	41,208	-	-	41,208
Other grant revenue	42,193	-	-	42,193	-	-	-	-	42,193	-	-	42,193
Other income	121,680	-	-	121,680	-	-	-	-	121,680	-	-	121,680
Sponsorship revenue	80,675	-	-	80,675	-	-	-	-	80,675	-	-	80,675
Event revenue	20,738	-	-	20,738	-	-	-	-	20,738	-	-	20,738
Interest and investment income	152,615	-	-	152,615	7,116	-	-	7,116	159,731	-	-	159,731
Affiliate support revenue	407,864	-	-	407,864	-	-	-	-	407,864	-	-	407,864
Total support and revenues:	5,646,983	-	-	5,646,983	47,116	-	-	47,116	5,694,099	-	-	5,694,099
Expenses:												
Program expenses:												
Economic development	4,704,332	-	-	4,704,332	-	-	-	-	4,704,332	-	-	4,704,332
East Topeka Learning Center	-	-	-	-	723,078	-	-	723,078	723,078	-	-	723,078
Total program expenses	4,704,332	-	-	4,704,332	723,078	-	-	723,078	5,427,410	-	-	5,427,410
Supporting services expense:												
General and administrative expenses	786,011	-	-	786,011	-	-	-	-	786,011	-	-	786,011
Total supporting expense	786,011	-	-	786,011	-	-	-	-	786,011	-	-	786,011
Total expenses	5,490,343	-	-	5,490,343	723,078	-	-	723,078	6,213,421	-	-	6,213,421
Change in net assets	156,640	-	-	156,640	(675,962)	-	-	(675,962)	(519,322)	-	-	(519,322)
Net assets, beginning of year	7,726,854	-	-	7,726,854	(284,040)	-	-	(284,040)	7,442,814	-	-	7,442,814
Net assets, end of year	\$ 7,883,494	\$ -	\$ -	\$ 7,883,494	\$ (960,002)	\$ -	\$ -	\$ (960,002)	\$ 6,923,492	\$ -	\$ -	\$ 6,923,492

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	Growth Organization of Topeka/Shawnee County, Inc.				GO Topeka ETL Support Corporation				Consolidated			
	Without donor restrictions	With donor restrictions	Eliminations	Total	Without donor restrictions	With donor restrictions	Eliminations	Total	Without donor restrictions	With donor restrictions	Eliminations	Total
Support and revenues:												
JEDO grant revenue	\$ 8,803,533	\$ -	\$ -	\$ 8,803,533	\$ -	\$ -	\$ -	\$ -	\$ 8,803,533	\$ -	\$ -	\$ 8,803,533
Private contributions and pledges	16,153	(12,600)	-	3,553	-	-	-	-	16,153	(12,600)	-	3,553
Other grant revenue	46,481	-	-	46,481	-	-	-	-	46,481	-	-	46,481
Other income	41,352	-	-	41,352	-	-	-	-	41,352	-	-	41,352
Sponsorship revenue	33,836	-	-	33,836	-	-	-	-	33,836	-	-	33,836
Event revenue	26,072	-	-	26,072	-	-	-	-	26,072	-	-	26,072
Interest and investment income	94,438	-	-	94,438	3,634	-	-	3,634	98,072	-	-	98,072
Affiliate support revenue	629,205	-	-	629,205	-	-	-	-	629,205	-	-	629,205
Total support and revenues:	9,691,070	(12,600)	-	9,678,470	3,634	-	-	3,634	9,694,704	(12,600)	-	9,682,104
Expenses:												
Program expenses:												
Economic development	8,602,491	-	-	8,602,491	-	-	-	-	8,602,491	-	-	8,602,491
East Topeka Learning Center	-	-	-	-	287,674	-	-	287,674	287,674	-	-	287,674
Total program expenses	8,602,491	-	-	8,602,491	287,674	-	-	287,674	8,890,165	-	-	8,890,165
Supporting services expense:												
General and administrative expenses	2,182,738	-	-	2,182,738	-	-	-	-	2,182,738	-	-	2,182,738
Total supporting expense	2,182,738	-	-	2,182,738	-	-	-	-	2,182,738	-	-	2,182,738
Total expenses	10,785,229	-	-	10,785,229	287,674	-	-	287,674	11,072,903	-	-	11,072,903
Change in net assets	(1,094,159)	(12,600)	-	(1,106,759)	(284,040)	-	-	(284,040)	(1,378,199)	(12,600)	-	(1,390,799)
Net assets, beginning of year	8,821,013	12,600	-	8,833,613	-	-	-	-	8,821,013	12,600	-	8,833,613
Net assets, end of year	\$ 7,726,854	\$ -	\$ -	\$ 7,726,854	\$ (284,040)	\$ -	\$ -	\$ (284,040)	\$ 7,442,814	\$ -	\$ -	\$ 7,442,814



Certified Public Accountants

**GROWTH ORGANIZATION OF
TOPEKA/SHAWNEE COUNTY, INC. &
SUBSIDIARY**

Report to the Audit Committee
August 28, 2020



Certified Public Accountants

August 28, 2020

Audit Committee
Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary
719 S. Kansas Avenue, 5th Floor
Topeka, Kansas 66603

We are pleased to present this report related to our audit of the consolidated financial statements of Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary (the Organization) for the year ended December 31, 2019. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Organization's financial reporting process.

This report is intended solely for the information and use of the Audit Committee is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Organization.

BT & Co., P.A.

4301 SW Huntoon St. Topeka, KS 66604 | t: 785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcccpa.com

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GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC. AND SUBSIDIARY

Report to the Audit Committee

August 28, 2020

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 5, 2020.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Organization. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year:</p> <ul style="list-style-type: none">ASU No. 2014-09, <i>Revenue from Contracts with Customers (Topic 606)</i>, as amended, which supersedes or replaces nearly all GAAP revenue recognition guidance, was adopted during the current year. This ASU establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is

Area	Comments
	<p>recognized over time or at a point in time, and expands disclosures about revenue.</p> <ul style="list-style-type: none"> ASU No. 2018-08, <i>Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made</i> was adopted during the current year. This ASU assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional.
	<p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>
	<p>Management’s Judgments and Accounting Estimates</p> <p>Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates.</p>
Audit Adjustments	<p>Audit adjustments proposed by us and recorded by the Organization are summarized in the attached representation letter.</p>
Disagreements with Management	<p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</p>
Consultations with Other Accountants	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>

Area	Comments
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Communication of Significant Deficiency in Internal Control over Financial Reporting	We have separately communicated the significant deficiency in internal control over financial reporting identified during our audit of the financial statements, and this communication is attached.
Certain Written Communications Between Management and Our Firm	Copies of certain written communications between our firm and the management of the Organization, including the representation letter provided to us by management, are attached.



August 28, 2020

To the Board of Directors and Management
Growth Organization of Topeka and Shawnee County, Inc. and Subsidiary
Topeka, Kansas

In planning and performing our audit of the consolidated financial statements of Growth Organization of Topeka and Shawnee County, Inc. and Subsidiary (the Organization) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Growth Organization of Topeka and Shawnee County, Inc. and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Growth Organization of Topeka and Shawnee County, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Growth Organization of Topeka and Shawnee County, Inc. and Subsidiary's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

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. We did not identify any deficiencies in the Organization's internal control that we deem to be material weaknesses.

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. We consider the following deficiency in the Organization's internal control to be significant deficiencies:

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.



To the Board of Directors and Management
Growth Organization of Topeka and Shawnee County, Inc. and Subsidiary

DATE

Page 2

Segregation of duties

Effective internal controls contemplate an adequate segregation of duties so that no one individual handles, or has access to handle, a transaction from its inception to completion. During our audit, we noted that there is a lack of complete segregation of duties in the Organization's accounting functions. This is due to the small accounting staff. Specifically, the Chief Financial Officer has complete access to the general ledger system, has the ability to generate electronic transfers between bank accounts and performs the bank reconciliation. A lack of segregation of duties could result in misappropriation of assets or a material misstatement in the financial statements.

Recommendations:

- While the Organization's accounting staff may not be large enough to permit an adequate segregation of duties in all respects for effective internal control, it is important that management be aware of this condition and realize that this concentration of duties is not ideal. Under these conditions, the most effective control lies in management and governance's knowledge of matters relating to the Organization's operations and regular and diligent review of transactions and financial reports.
- The bank reconciliation should be either prepared by someone without access to the processing of cash transactions or electronic cash transfers or should be reviewed by someone after preparation by the CFO. That review should ideally include review of the original unaltered bank statement or on-line bank activity.

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

Finally, we wish to express our appreciation to the Organization's personnel for their assistance and cooperation during our audit, and we look forward to working with you on future engagements.

BT & Co., P.A.

BT&Co., P.A.
4301 SW Huntoon Street
Topeka, Kansas 66604-1659



This representation letter is provided in connection with your audits of the consolidated financial statements of Growth Organization of Topeka/Shawnee County, Inc. and Subsidiary (the "Organization"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements) for the purpose of expressing an opinion on 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).

We confirm, to the best of our knowledge and belief, as of the date of the auditors' report, the following representations made to you during your audits.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated May 5, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. We have no knowledge of any uncorrected misstatements in the financial statements.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.



9. With respect to the financial statement preparation and tax services performed in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services, and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.

10. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Investments in debt and equity securities, including their classification.
 - b. All liabilities that are subordinated to any other actual or possible liabilities of the Organization.
 - c. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
 - d. Concentrations of credit risk.
 - e. All recordable contributions, by appropriate net asset class.
 - f. Allocations of functional expenses based on reasonable basis.
 - g. Deferred revenue from exchange transactions.
 - h. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification, including split interest agreements.
 - i. Tax status.
 - j. Board designated net assets without donor restrictions.
 - k. Security agreements in effect under the Uniform Commercial Code.
 - l. All other liens or encumbrances on assets and all other pledges of assets.
 - m. Guarantees, whether written or oral, under which the Organization is contingently liable.

11. We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities.

12. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.



13. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - d. Leases and material amounts of rental obligations under long-term leases.
 - n. Assets in amounts needed to comply with all donor restrictions.
 - o. Lines of credit or similar arrangements.
 - p. Agreements to repurchase assets previously sold.
 - q. Amounts of contractual obligations for construction and/or purchase of real property, equipment, other assets and intangibles.
 - r. Conditional promises to give.
 - e. Reclassifications between net asset classes.
 - f. Refundable advances.
14. The Organization has satisfactory title to all owned assets, except as made known to you and disclosed in the footnotes.
15. We have complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and Uniform Guidance, because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
16. In considering the disclosures that should be made about risks and uncertainties, we have concluded disclosure about the COVID-19 global pandemic is required.

Information Provided

17. 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 governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
18. All transactions have been recorded in the accounting records and are reflected in the financial statements.



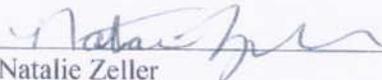
19. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
20. We have no knowledge of allegations of fraud or suspected fraud, affecting the Organization's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
21. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, analysts, regulators, or others.
22. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
23. We are not aware of any pending or threatened litigation and claims whose effects were considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
24. 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.
25. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize and report financial data.
26. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
27. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
28. We have received a determination from the Internal Revenue Service that we are exempt from federal income taxes as a Section 501(c)(6) and Section 501(c)(3) not-for-profit corporation, and we have complied with the IRS regulations regarding this exemption.



- a. Money market funds: Valued at the carrying value of the accounts due to their short maturity, high liquidity and low risk of default.
 - b. U.S. Treasury notes and bills are valued at quoted market prices multiplied by the quantity held when quoted market prices are observable.
30. During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
31. We agree with the adjusting journal entries as proposed in the attachment and understand that we do not need to record them into our trial balance, as it is maintained on the cash basis internally.

Very truly yours,

GROWTH ORGANIZATION OF
TOPEKA/SHAWNEE COUNTY, INC.
AND SUBSIDIARY



Natalie Zeller
Chief Financial Officer

Date Signed 8/28/20



Josh Patterson
Senior Accountant

Date Signed 8/28/20

Growth Organization of Topeka/Shawnee County, Inc. & Subsidiary

Year End: December 31, 2019

Adjusting Journal Entries

Number	Date	Name	Account No	Debit	Credit
1	12/31/2019	Accounts Payable	601-3300 GOT		-51,309.00
	12/31/2019	GRANTS	651-8700 GOT	51,309.00	
		BT&CO entry- Correct missing invoice for AP- Improperly excluded at year end.			
2	12/31/2019	LAND-CENTRAL CROSSING	601-3000 GOT	82,426.50	
	12/31/2019	Gain/loss on sale of land	621-7520 GOT		-82,426.50
		Record gain on sale land at Central Crossing			
3	12/31/2019	Deferred Sponser/Program/Event Revenue	601-3670 GOT		-83,857.00
	12/31/2019	SALES TAX REV	610-4910 GOT	83,857.00	
		Adjust deferred JEDO revenue based on revised client schedule		83,857.00	-83,857.00

City of Topeka & Shawnee County



Agenda Item No. 3H

**JEDO Board Meeting
September 9, 2020**

ACTION ITEM:
APPROVAL of Choose Topeka Remote Initiative



**Choose Topeka Update
Talent Relocation Initiative Amendment
September 1, 2020
Barbara Stapleton, VP, Business Retention & Talent Initiatives**

Update

The Choose Topeka Talent Relocation Initiative has been successful in so many ways since announcement after the December 2019 JEDO Meeting. To date, over 3,700 resume and interest submissions have been received. Employers have submitted 20 candidates to the program, and \$106,250 has been encumbered of the \$300,000 to be allocated.

Eligibility within current program

To be considered for the talent attraction program, applicants will meet all eligibility requirements:

- Move to Topeka for full time employment position
- Purchase a home or rent (primary residence only) within Shawnee County within the year of move
- Employer participation in matching funds
- Eligible to work in the United States

Benefits

- Up to \$10K gross in funds for renting in the first year of a candidate’s move, up to \$15K gross in funds for a home purchase/rehab in Topeka/Shawnee County
 - GO Topeka/JEDO and Employer funds 50% match

Amendment Recommendation

Employer insights and candidates’ interest from remote candidates have expressed an interest in choosing Topeka to live, with their remote employer’s interest and support. Existing local employers recognize that this can be beneficial to them, with trailing partners and the continued benefit of bringing qualified candidates to the community that they could potentially hire in the future.

The GO Topeka Executive Committee approves and recommends allowing up to 40% (\$120,000) of the currently allocated funds (\$300,000), to be used for a remote worker relocation option. Based upon a candidate’s salary, provide a tiered relocation incentive with the following items provided by the candidate prior to distribution:

- Proof of prior residency (ie. copy of utility bill in their name within the last 30 days)
- A signed rental agreement OR documentation verifying home purchase
- Proof of salary / benefits package

One year lease agreement (rental)

Maximum of \$5,000 for primary residence rental

Home Purchase/Rehab

Maximum of \$10,000 for primary residence home purchase

Candidate Salary Range	GO Topeka/JEDO Funds	Candidate Salary Range	GO Topeka/JEDO Funds
\$35-45K	\$1,250	\$35-45K	\$ 2,500
\$45-60K	\$2,500	\$45-60K	\$ 5,000
\$60K +	\$5,000	\$60K +	\$10,000

City of Topeka & Shawnee County



Agenda Item No. 5A

**JEDO Board Meeting
September 9, 2020**

DISCUSSION:
Go Topeka Second Quarter Report



**JEDO QUARTER 2 REPORT
2020**





GO TOPEKA
 785.234.2644
 GOTOpeka.com
 719 S Kansas Ave. Ste. 100
 Topeka, KS 66603

LEFT AND BELOW PHOTO:

Left: As a tribute and to show appreciation to essential workers during the early onset of the Covid pandemic, the Air National Guard 190th Refueling Wing flew over Topeka, Lawrence, Manhattan and Emporia.

Below: Several Top City Interns gathered at the Topeka Zoo and Conservation Center to kickoff this year's program. You can read more about it on page 16.



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4	TOPEKA & SHAWNEE COUNTY MOMENTUM SCORECARD	
6	BUSINESS ATTRACTION	
7	BUSINESS RETENTION & EXPANSION	
8	WOMEN & MINORITY BUSINESS DEVELOPMENT	
9	KANSAS PTAC	
10	INNOVATION & ENTREPRENEURSHIP	
12	WORKFORCE & TALENT	
13	INCLUDED & SCHOLARSHIPS SOTO & NETO	
14	CHOOSE TOPEKA	
15	TOPCITY INTERNS	
16	HOST & SUPPORT TOPEKA	
18	GO TOPEKA BOARD	

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
87.3%

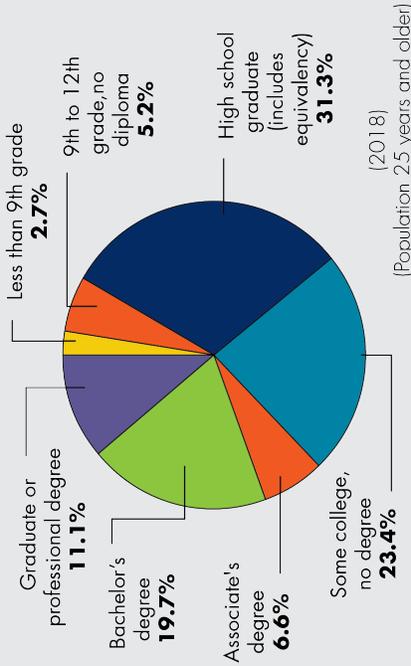
SHAWNEE COUNTY
88.2%

Four-year adjusted cohort formula
(all Schools 2018-2019) (1)

STUDENT-LEVEL METRICS (2019)



EDUCATIONAL ATTAINMENT (2018)



CERTIFICATES EARNED (2018)

1,251

(less than a 2-year degree)

LIVABILITY

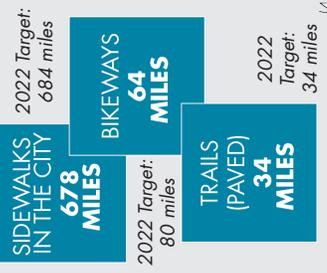
This score rates the overall livability of Shawnee County on a scale from 0 to 100. It is based on the average score of seven livability categories—housing, neighborhood, transportation, environment, health, engagement, and opportunity—which also range from 0 to 100.



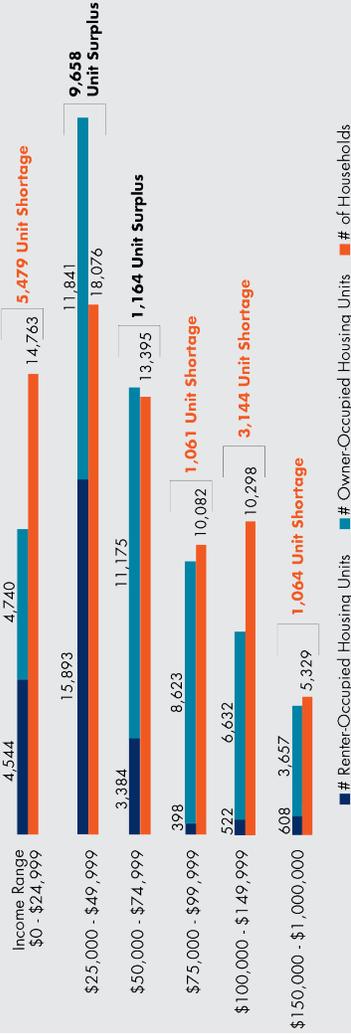
2022 Target: 58 AARP livability index

CREATE VIBRANT & ATTRACTIVE PLACES

PEDESTRIAN FRIENDLINESS (2019)



AFFORDABLE HOUSING (2018)



*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.

ATTENDANCE AT ATTRACTIONS (2019)

550,672 PEOPLE

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

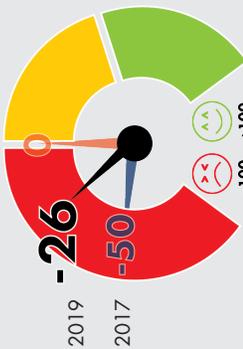
2022 Target: 750,000 people



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

(7)



GROW A DIVERSE ECONOMY

SHARE OF EMPLOYMENT AT NEW BUSINESSES

7,517 OR **9.65%** PEOPLE WORK AT A NEW BUSINESS

(New business is any that has been open less than five years)|(2018 Q4)

(8)

2022 Target: 7,093 people

ANNUAL MEDIAN WAGE IN TOPEKA

\$37,620

(2019 MSA)

(6)

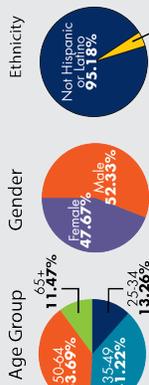
2022 Target: \$39,000



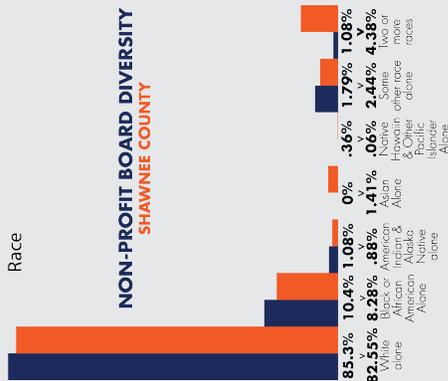
COLLABORATE FOR STRONG COMMUNITY

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.



NON-PROFIT BOARD DIVERSITY SHAWNEE COUNTY

PHYSICAL AND MENTAL HEALTH (2020)

3.6 POOR PHYSICAL HEALTH DAYS
3.8 POOR MENTAL HEALTH DAYS

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

2022 Target: 2.7 Physical | 3.2 Mental

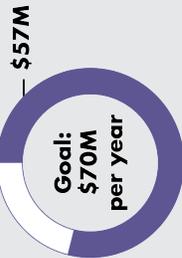
INFANT MORTALITY RATE (2020)

7.1 WITHIN 1 YEAR, PER 1,000 LIVE BIRTHS

(9)

PRIVATE CAPITAL INVESTMENT (2019)

(7)



Capital investment is the amount of money new or current businesses spend to create, expand or improve facilities. For this report, capital investment is captured by GO Topeka during regular communications with companies or when companies work with GO Topeka to receive an incentive for an investment. The numbers are self-reported and exclude the cost of maintenance. GO Topeka makes every attempt to gather this info for all companies in Shawnee County, however some will not be captured due to lack of awareness of the investment.

2022 Target: \$350M

TOTAL PRIVATE JOBS

74,871

(Dec 2019)

(Private = Non-Government Jobs) (5)

2022 Target: 79,000 jobs

GLOBAL METRICS

GDP OF DOLLARS (10)

\$11.322 BILLION IN 2018

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.

\$10.655 BILLION IN 2017

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

STUDENTS ELIGIBLE FOR FREE OR REDUCED LUNCHES

52.02%

(1)

2022 Target: 48%

POVERTY RATE IN SHAWNEE COUNTY (2018)

(11)

13.9% TOTAL POVERTY RATE

17.5% CHILD POVERTY RATE

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

GO Topeka responded to nine project RFI's this quarter. We continue to see an uptick in projects that align with our targeted industries of Animal Health, Aerospace, and Bio Science, making up more than half of these new projects. Even through the economic hardships that can be attributed to the COVID-19 pandemic companies are making expansion plans for the future with Topeka and Shawnee County in mind.

9 NEW PROJECTS IN Q2



AEROSPACE

2



BIOSCIENCE/
ANIMAL HEALTH

3



PRODUCTION

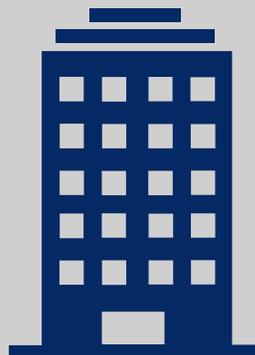
3



DISTRIBUTION

1

27 PROJECTS YTD



YEAR TO DATE
SITE VISITS

6





Grow a
Diverse
Economy

RETENTION & EXPANSION

4 ADDITIONAL PROJECTS

In the second quarter of 2020, GO Topeka hosted a virtual Manufacturing Breakout session for employers, facilitating a health protocols discussion to support and align business and health needs. GO Topeka has also been working with four existing companies, at different steps, looking to grow and expand in our community. A summary of the projects, with possible incentive package requests in the future:



PROJECT AVENUE

is a manufacturing company that expects to add up to 30 new jobs in the next five years and is currently determining potential capital investment.



PROJECT WHEAT

is also a manufacturing company that is assessing a possible 35,000 sq ft new construction location on up to a 20 acre site, with capital investment to be determined.



PROJECT DESIGN

is a professional services organization that has sought workforce support and recruitment assistance.



PROJECT ALLOY

is a construction company that is assessing the possibility of expansion with both capital investment and job creation.

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 Q2 of 2020

9

LIFE OF PROGRAM

757

FIRST OPPORTUNITY FUND

\$50,000

1 LOAN AWARDED

1 LINE OF CREDIT FOR \$50,000



4

NOTABLE NEW BUSINESSES

AXE & ALE
THE VINEWOOD
T ROCKS CHILDCARE CENTER
10-39 DESIGN LLC

4

NOTABLE EXISTING BUSINESSES

BEDSPRINGS & BURLAP
HAPPY BASSET BREWING
NORSEMEN
HEART & HOME DESIGN

SMALL BUSINESS INCENTIVES



INCENTIVES ISSUED, AMOUNT



INCENTIVES ISSUED, #

Through Q2 OF 2020

\$198,985

58

LIFE OF PROGRAM

\$1.31M

409

11

NEW BUSINESS

32

EXISTING BUSINESS

Some companies may have been awarded more than one incentive.

INCENTIVE TYPES



CONSTRUCTION

15



TRAINING

2



MARKETING

28



EQUIPMENT

21

JOBS IMPACTED

67

FULL TIME

63

PART-TIME

130
TOTAL



KANSAS PTAC

(PROCUREMENT TECHNICAL ASSISTANCE CENTER)

FEBRUARY 1, 2020 - JULY 20, 2020



NEW
CLIENTS

46

58%
of Goal



COUNSELING
HOURS

283

55%
of Goal



EVENTS HELD IN
SHAWNEE COUNTY

1



401

CONTRACT
AWARDS

"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."

TOTAL CONTRACT AWARDS FOR KS PTAC SUB-CENTER TOPEKA

(Service area covers 32 counties in NE KS)

\$ 60,095,447 = FEDERAL

\$ 0 = STATE & LOCAL

\$ 3,371,664 = SUBCONTRACTS

\$ 63,467,141 TOTAL AWARDS

SHAWNEE COUNTY BUSINESSES HAVE RECEIVED:

13

CONTRACT AWARDS
FOR A VALUE OF

\$1,224,950

OUT OF THE TOTAL
ABOVE AMOUNT

SOCIOECONOMIC STATS ON FEDERAL CONTRACT AWARDS

SMALL DISADVANTAGED BUSINESS **140**

WOMAN OWNED SMALL BUSINESS **72**

HUBZone **26**

SERVICE DISABLED VETERAN OWNED SMALL BUSINESS **15**

RETURN ON INVESTMENT (ROI)

FOR EVERY \$1 JEDO INVESTS, PTAC GENERATES

\$952

(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. This is the number that is used to base the ROI number on.)



INNOVATION & ENTREPRENEURSHIP



Grow a
Diverse
Economy

INNOVATION CAMPUS

To support Topeka's growth as a hub of innovation powered by Plug and Play, GO Topeka has initiated two viability assessments for the future Topeka Innovation Campus. Two nationally recognized real estate developers, Clark Enersen/MAG Partners and BioRealty/CRB have been contracted to lead the assessments; they are expected to present their findings in fall/winter 2020. River South Area in downtown Topeka and the Kanza Education and Science Park have been named as potential sites for the innovation campus. The information yielded from the viability assessments will help determine the right course of action to properly leverage our existing innovation assets, create new growth and, in turn, propel Topeka's status as the hub of innovation in the Midwest. The assessments have been sponsored in part by Evergy through their local partner program. Thank you, Evergy!



Plug and Play is set to announce the animal health/ag tech accelerator founding members this summer. Four of five corporate partners are in final contract negotiation stage. The announcement will open up the application period for startups to become part of the first cohort starting in September.

"Plug and Play Topeka" has committed to be a sponsor of the Animal Health Corridor Summit industry event Aug 31-Sept. 2. For more information and to register for this virtual event, please visit <http://kcanimalhealth.thinkkc.com/events/animal-health-summit>. GO Topeka will also be supporting the event and the KC Animal Health Corridor community by providing coaching to competing animal health startups, preparing them for virtual pitches to both investors and strategic partners.





Grow a
Diverse
Economy



WHEELHOUSE I N C U B A T O R

WHEELHOUSE INCUBATOR

The second cohort of the Wheelhouse Incubator Program graduated on July 27. Despite the challenges posed by the COVID-19 disruption, the spring cohort of the Wheelhouse Incubator program successfully wrapped this spring session. Seven local small businesses are working with their assigned mentors to target one specific goal that helps their business reach the next level of growth. Please help us celebrate these graduates of the 2020 cohort: Sandy Tucker, owner of Bite Toffee, LLC; Cheryl Newton, owner of CAN, LLC.; Jake Taylor, owner of Curb Appeal Power Wash, LLC.; Denise Selbee-Koch, owner of Dirty Girls Adventures, LLC.; Melinda Williamson, owner of Morning Light Kombucha, LLC.; Angie Grau, owner of Paper June, LLC.; and Jason Garland, owner of Unique Solutions Services Cleaning Systems, LLC.

The program had suspended the cohort sessions for two months, but restarted on June 22 helping the cohort members reposition their businesses for success as they ramp up again with COVID-19 restrictions being lifted. In true entrepreneurial fashion, the program pivoted to a virtual format to achieve the same results. For the time being, GO Topeka will continue to offer relevant programming in a way that is safe and at the same time effective for participants and program managers – virtually.





Develop
Homegrown
Talent

WORKFORCE & TALENT

2020 Q2 NUMBERS

TOTAL POPULATION*

123,927 in Topeka
174,799 in SNCO

2,234,827 in Kansas
260,049,000 in USA

LABOR FORCE PARTICIPATION

63,120 in Topeka
90,465 in SNCO

1,496,709 in Kansas
158,229,000 in USA

EMPLOYMENT

55,612 in Topeka
81,547 in SNCO

1,351,464 in Kansas
137,866,000 in USA

JOBS

81,891 in Topeka
96,025 in SNCO

Topeka down **.7%** from last year
SNCO down **.8%** from last year
1,386,203 in Kansas
147,172,138 in USA

AVERAGE WAGES

\$46,210 in Topeka
\$46,157 in SNCO

Topeka up **.6%** from last year
SNCO up **.6%** from last year
\$48,012 in Kansas
\$59,095 in USA

LABOR FORCE PARTICIPATION RATE

50.93% in Topeka
51.75% in SNCO

66.97% in Kansas
60.85% in USA

EMPLOYMENT-POPULATION RATIO

44.87% in Topeka
46.65% in SNCO

60.47% in Kansas
53.02% in USA

UNEMPLOYMENT RATE

11.9% in Topeka
9.9% in SNCO

9.7% in Kansas
12.9% in USA

*Total Civilian Non-institutionalized
Population



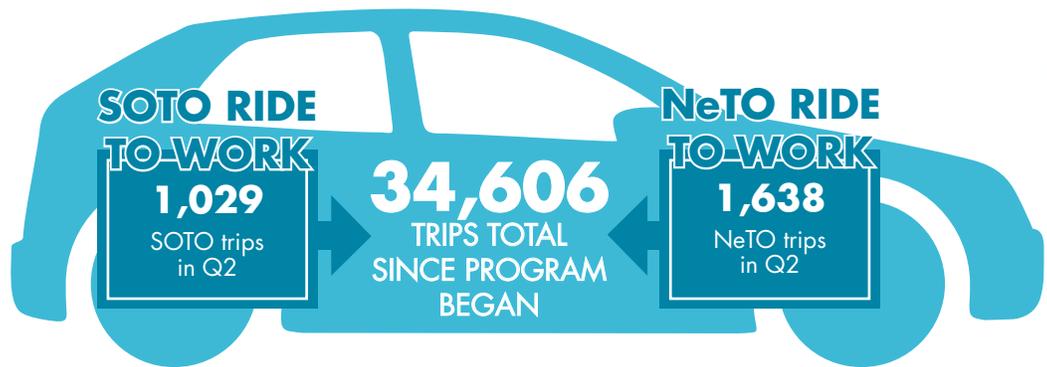


iINCLUDED hosted their first virtual meeting via zoom during the second quarter of 2020 in June and heard from Cain Davis, CEO of Diversified Consulting Concepts, as he shared the Business Case for Workplace Diversity. The presentation shared how workplaces mirror our communities and the changes we continue to experience. Addressing the value that diversity in the workplace provides, participants discussed how to attract and retain innovative, creative, productive and engaged employees.

We will host the next virtual iINCLUDED Meeting, **Racism 101** on August 12 from 11am – 1pm. Join us for an online presentation and conversation facilitated by Kathleen Marker, YWCA CEO and Marty Hillard, community activist and YWCA Advocacy committee member. Together we'll explore the four levels of racism, how they stand alone, and how they interact with each other, Follow the Partnership social media for Zoom registration information.



Bio: Kiara Kaiser is a lifestyle photographer, local to the Topeka/Lawrence area. She aims to capture real life situations, events, or milestones in the community.
 Links: Facebook <https://www.facebook.com/profile.php?id=100004817072769>
 Instagram <https://www.instagram.com/kiarakaiser/>



CaRE PROGRAM 413
 free rides in Q2 due to pandemic transportation funding

17
 CaRE bus passes used YTD



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 3,500 submissions with resumes or questions along with over 1,700 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 choosetopeka.com/press/.

3,500+
Submissions YTD

1,700+
Calls YTD

20
Candidates Submitted YTD

\$101,250
in Matching JEDO funds YTD

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.

TOPCITY INTERNS

The 2020 TopCity Interns kicked off this year's program with a welcome event at the Topeka Zoo on June 6. The interns got a behind the scenes tour of the Topeka Zoo as well as a meal and drinks from local favorite Norsemen Brewing Co. The 2020 intern class had over 80 interns that were hosted by local companies both in-person and virtually.

Other TopCity Interns programming consisted of a virtual live-stream with influential Topeka leaders about the positive change going on in Topeka. Attendees were able to submit questions and receive answers from local leaders' panelists. The interns also attended a financial lunch and learn hosted by Clayton Wealth Partners where they learned responsible financial management. They rounded the program out with a game of Bingo that encouraged them to explore Topeka and possibly win prizes.

What is TopCity Interns?

TopCity Interns seeks to help college graduates give serious consideration to Topeka for their first jobs in their chosen professions. Through large-scale social gatherings and regularly scheduled education programs, Forge aims to impart a lasting, positive impression of Topeka and Shawnee County as a place for young talent to live, work and play.





\$1,102,710
 Distributed to **285**
 Shawnee County
 businesses



Supported over
2,300
 furloughed workers,
 totaling over
\$540,000
 in impact relief



HOST

Helping Others Support Topeka

Created to provide emergency recovery and relief to Shawnee County small businesses, the HOST Relief Program has provided more than \$1M in funding toward local economic recovery in the last three months.

The Greater Topeka Partnership and GO Topeka shared how its HOST Relief Program has taken the lead to support local economic recovery by providing relief funds to Shawnee County small businesses. Since the program's kickoff in late March 2020, a total of \$1,102,710 has been distributed to 285 small businesses through HOST private donation or public grants. HOST, or Helping Others Support Topeka, was created to provide emergency and recovery funding for local businesses affected by the COVID-19 pandemic. In addition to providing up-to-date figures on the recovery impact of the relief program, HOST announced a special gift card donation to Shawnee County first responders.





UPCOMING EVENTS

AUGUST

- 5 Brownbag Concert
- 7 TopCity Teachers
- 8 Second Saturday Concert
- 8 Cruisin' the Capitol
- 12 Brownbag Concert
- 14 Movie on the Lawn
- 17 Topeka Partnership Golf Tourney
- 18 Business Unwind
- 19 Brownbag Concert
- 27 State of Community

SEPTEMBER

- 9 Power Breakfast
- 9 JEDO Meeting
- 15 Business Unwind
- 23 DTI After Hours
- 26 Jazz & Food Truck Festival

OCTOBER

- 20 Business Unwind

NOVEMBER

- 3 Business Expo
- 5 MRC Luncheon
- 12 Economic Outlook Conference
- 12 DTI After Hours
- 17 Business Unwind
- 19 Small Business Council Roundtables
- 28 Small Business Saturday



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





A Greater Topeka Partnership Organization



Prepared for JEDO
Joint Economic Development Organization

Contact Bob Ross
Title SVP Marketing & Communications
Telephone 785.234.2644
Email Bob.Ross@TopekaPartnership.com

FOR IMMEDIATE RELEASE
July 29, 2020

PLUG AND PLAY PARTNERS WITH CARGILL TO LAUNCH INNOVATION PLATFORM FOCUSED ON ANIMAL HEALTH AND AGRICULTURAL TECHNOLOGY

TOPEKA, KS – July 29, 2020 – Plug and Play, a global innovation platform and accelerator, today announced that Cargill will serve as a founding partner for its newest location in Topeka, Kan. focused on animal health and agriculture technology. Through this partnership, Plug and Play and Cargill will work with startups that are creating new technologies and products to build successful food and agricultural businesses and communities.

“Cargill is partnering with Plug and Play to bring together some of the brightest minds and boldest ideas in agriculture and protein production,” said Rob Stewart, president of growth ventures and emerging markets in Cargill's North America protein business. “Together we will leverage our unique expertise to help new companies across the food supply chain identify market opportunities, attract customers and accelerate growth.”

This partnership will incubate global innovation around Animal Health and Agtech from the heart of cattle country and the Kansas City animal health corridor, making the most of both companies' strengths. Plug and Play's global reach will help startups enter new geographic locations, find new customers and grow. Cargill will bring scale, a broad expertise and the strength of a global supply chain.

“Plug and Play is incredibly excited to launch this program in partnership with Cargill as our first founding partner. Their support and dedication will lay the foundation for entrepreneurs and startups to access the best resources available, beginning with industries such as Animal Health and Agtech,” said Saeed Amidi, Founder and CEO of Plug and Play.

Plug and Play will bring eight to 10 startups to the city every six months. Later this fall, the company will run their first virtual accelerator out of the Topeka location. Those startups will go through three-month accelerator programs aimed at helping the businesses get off the ground, providing mentorship, resources and office space. There is a 70 percent average success rate for companies that go through a Plug and Play accelerator program, measured in follow-on capital raised.

“Topeka proudly welcomes Cargill as the first founding partner of the Plug and Play Platform. This investment is a vital step, it will propel our community forward as we work to become a hub for Animal Science and Agtech research. I am grateful to our partners in GOTopeka for making this possible, and am excited to watch a new generation of startups and entrepreneurs find their success in our great city,” commented Mayor Michelle De La Isla.

“We are thrilled to welcome Cargill as the first founding member of the Topeka Animal Health and Agtech focused innovation platform powered by Plug and Play. Cargill has made significant investments in innovation throughout Kansas over the last decade and we are proud to collaborate with this organization and help shape the future of agriculture for our State. Plug and Play’s proven innovation platform will create substantial economic impact for the entire region,” said Katrin Bridges, Senior Vice President of Innovation for Greater Topeka Partnership.

Corporations and startups interested in Plug and Play's Animal Health and Agtech program in Topeka can apply here:

<https://www.plugandplaytechcenter.com/join/>

About Plug and Play

Plug and Play is a global innovation platform. Headquartered in Silicon Valley, we have built accelerator programs, corporate innovation services, and an in-house VC to make technological advancement progress faster than ever before. Since inception in 2006, our programs have expanded worldwide to include a presence in over 30 locations globally, giving startups the necessary resources to succeed in Silicon Valley and beyond. With over 30,000 startups and 400 official corporate partners, Plug and Play has created the ultimate startup ecosystem in many industries. Companies in our community have raised over \$9 billion in funding, with successful portfolio exits including Danger, Dropbox, Lending Club and PayPal. For more information, visit

<https://www.plugandplaytechcenter.com/>

About Cargill

Cargill's 155,000 employees across 70 countries work relentlessly to achieve our purpose of nourishing the world in a safe, responsible and sustainable way. Every day, we connect farmers with markets, customers with ingredients, and people and animals with the food they need to thrive. We combine 155 years of experience with new technologies and insights to serve as a trusted partner for food, agriculture, financial and industrial customers in more than 125 countries. Side-by-side, we are building a stronger, sustainable future for agriculture. For more information, visit Cargill.com and our [News Center](#).