

**JEDO Board Meeting – February 8, 2023**

CYRUS K. HOLLIDAY BUILDING, Topeka, Kansas, Wednesday, February 8, 2023.

The JEDO Board members of the City of Topeka met in regular session at 6:00 P.M. with the following Voting Members present: City of Topeka Mayor Michael Padilla, City of Topeka Deputy Mayor Neil Dobler, City of Topeka Councilmembers Tony Emerson and Hannah Naeger; and Shawnee County Commissioners Bill Riphahn, Kevin Cook and Aaron Mays -7. Non-voting members City of Topeka Councilmembers Karen Hiller, Christina Valdivia-Alcala, Sylvia Ortiz, Brett Kell, Spencer Duncan and Michelle Hoferer were absent -6.

Public comment for the meeting was available via Zoom or in-person. Individuals were required to contact the City Clerk's Office at 785-368-3940 or via email at [cclerk@topeka.org](mailto:cclerk@topeka.org) by no later than 5:00 p.m. on February 8, 2023, after which the City Clerk's Office provided the Zoom link information and protocols prior to the meeting start time. Written public comment was also considered to the extent it was personally submitted at the meeting or to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at [cclerk@topeka.org](mailto:cclerk@topeka.org) on or before February 8, 2023.

THE PLEDGE OF ALLEGIANCE was recited by meeting participants.

MINUTES of the JEDO Board Meeting December 14, 2022, was presented.

Commissioner Mays moved to approve the minutes. The motion seconded by Commissioner Cook carried unanimously on roll call vote. (7-0-0)

APPROVAL of a funding amendment in the amount of \$45,400 for Project GiGi, was presented.

Ashley Lehman, GO Topeka Director of Business Development, stated all projects are approved by the GO Topeka Board of Directors prior to consideration by the JEDO Board for

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funding and final contract approval. She noted projects follow incentive guidelines and a performance based structure. She reported the proposal was for an existing manufacturing company looking to invest another \$725,000 adding six new jobs with an average salary of \$60,000. The economic impact over six years will be \$51.5 million with a 41% return on investment. GO Topeka Staff recommended approval to amend the funding of the previously approved contract.

Commissioner Mays moved to approve a funding amendment in the amount of \$45,400 for Project GiGi. The motion seconded by Commissioner Riphahn carried unanimously on roll call vote. (7-0-0)

APPROVAL of an Incentive Agreement in the amount of \$190,000 between the Growth Organization of Topeka/Shawnee County (GO Topeka) and Harrison Fabrication (Project Kool-Aid), was presented.

Ashley Lehman, GO Topeka Director of Business Development, reported Harrison Fabrication (Project Kool-Aid) reached out to GO Topeka for small business incentives; however, through the better understanding of the goals of the company it was decided traditional funding would be a better fit. She stated the capital investment will be \$2.1 million with a plan to add 30 new jobs with an average wage of \$48,000 plus benefits. The economic impact over 10 years will be \$175 million with a 117% return on investment. GO Topeka Staff recommended approval of the final contract in the amount of \$190,000.

Commissioner Riphahn moved to approve the incentive agreement in the amount of \$190,000 for Harris Fabrication (Project Kool-Aid). The motion seconded by Commissioner Mays carried unanimously on roll call vote. (7-0-0)

Andrew Harris, Harris Fabrication President, expressed his gratitude to the JEDO Board and GO Topeka Staff for providing the opportunity to expand his business. He stated he looks forward to the continued partnership.

Mayor Padilla thanked Mr. Harris for locating and continuing their business in Topeka, Shawnee County.

APPROVAL of a funding increase in the amount of \$200,000 for the Small Business Incentives Program, was presented.

Stephanie Moran, GO Topeka Senior Vice President of Innovation, presented the 2022 Small Business Incentives Analysis including historical data, program changes, the tier evaluation process, program surveys, metrics, awareness and marketing. She reported based on demand and opportunity to create additional economic impact through the Small Business Incentives Program, GO Topeka is requesting to allocate \$200,000 in carryforward funds for the Small Business Incentives program, providing a total budget of \$500,000 for the program in 2023. She noted it will increase the funding from 40 businesses in 2022 to 50 businesses in 2023.

Commissioner Cook asked Ms. Moran to expand on the characteristics and/or metrics (number of employees, wages, capital investment etc.) they are seeking when funding a small business; and if an income threshold has been implemented.

Deputy Mayor Dobler inquired on what an average project that would be funded would entail.

Commissioner Mays questioned the significant increase in the average award amount for 2023.

In response, Stephanie Moran reported the follow:

- The initial item considered would be if the business was a considered a primary employer that generates revenue for increased economic development in the

community. Also considered, would be the number of employees. They are required to submit a proposed use of funds and what the impact will be to the business *i.e.* are they driving job increases or product lines etc.

- Child care has been a big focus as it is a critical need in the community; therefore, in the second Tier of the program they are looking at businesses that provide critical infrastructure. As they look to grow the community, they want businesses that will bring in additional workforce and employees.
- The Small Business Incentive program has not implemented an income threshold; however, it is something they could analysis under the new program. It was noted most of the businesses in the program are small averaging 1-10 employees.
- Larger incentives are for equipment and construction. Story Factory Media was able to purchase additional photography video equipment to provide services out of state – bringing revenue into the community. Other companies may build additional facility space to increase retail/service footprint or additional upgrades to the building.
- The increase of the average amount was due to the implementation of minimums on the 2023 incentives.

Commissioner Cook referenced the requested funding source and expressed concern with using carryover funds that historically have been used for small businesses. He inquired on the remaining balance of carryover funds and questioned if there was any available funding in the overall carryover budget that could be allocated. He expressed the importance of making sure incentive funding remains available for potential projects coming to the community.

Molly Howey, GO Topeka President, reported in 2022, the balance of unallocated carryforward funds was \$2.9 million and at this time, they do not expect a surplus of funds in any area of the carryover funds; however, there may be an opportunity to utilize incentive funds due to various project cycle timing. She noted they rarely have companies that are under performing; however, they will be tracking numbers more closely and can report back to the JEDO Board on overall incentive performance.

Deputy Mayor Dobler inquired on the balance of carryover funds in 2021 compared to 2022.

Commissioner Cook noted during the Covid-19 pandemic a number of funding allocations for Small Businesses and Small Business sustainability was made by the JEDO Board.

Molly Howey stated the amount of carryover funds has decreased based on projects; however, she will report back to the JEDO Board on the exact amount. She confirmed approximately \$1.7 million was infused into the community to sustain businesses and unfortunately, they were not able to apply for reimbursement of those funds.

Commissioner Cook moved to allocate \$200,000 in carryforward funds for the Small Business Incentives program, providing a total budget of \$500,000 for the program in 2023. The motion was seconded by Councilmember Naeger.

Commissioner Cook requested GO Topeka Staff review allocated funds and determine if there are business incentives underperforming or not meeting maximum threshold for the purpose of tracking allocated verses unallocated funds. He suggested at a future JEDO Board meeting, they set a threshold of carryover allocated funds verses unallocated funds as a percentage so they are aware of the amount of reserve funding available to be used for potential projects in the future.

The motion to allocate \$200,000 in carryforward funds for the Small Business Incentives program, providing a total budget of \$500,000 for the program in 2023, carried unanimously on roll call vote. (7-0-0)

APPROVAL of incentive funding in the amount of \$365,000 for the Choose Topeka 2.0 Talent Incentive Program, was presented.

Trina Goss, GO Topeka Director of Business & Talent Initiatives, reported the Choose Topeka Relocation Incentive continues to be successful in offering options to employers in Topeka and Shawnee County, resulting in a population increase of 2,265 people, the highest spike in population in 10 years. She stated they are recommending continuation of the incentive program

by offering the next round of Choose Topeka 2.0 funding for the Employer Match Boomerang and Military Programs in the amount of \$300,000; and funding for Welcome Packages in the amount of \$65,000 for a total funding request of \$365,000.

Molly Howey, GO Topeka President, clarified the Chose Topeka Program was not a budgeted program but instead was implemented on a funding cycle with the goal of the funding cycle to extend past the first of the year.

Councilmember Naeger commended GO Topeka Staff for implementing a creative incentive opportunity through the Boomerang Program.

Mayor Padilla inquired on the types of careers or industries that are attracting people to Topeka.

Commissioner Cook noted they were not just investing economic dollars in big business but also investing in people.

Deputy Mayor Dobler inquired on the marketing influence the Choose Topeka Program has received.

Trina Goss reported all types of careers have contributed to attracting people to Topeka and the Choose Topeka program has generated approximately \$13 million in earned media marketing.

Commission Cook referenced the previously approved carryforward funding request (\$200,000) in addition to the current \$365,000 request and expressed concern with reducing the carryforward funds by a total of \$565,000. He asked GO Topeka Staff to monitor the funds closely to ensure funding would be available for future projects.

Commissioner Mays questioned if the \$65,000 requested for Welcome Packages could be used for Employer Matches if needed.

Commissioner Riphahn asked if GO Topeka plans to track the relocation funding initiative for at least 5 to 10 years to determine if people stay in Topeka.

Trina Goss stated the Employer Matching program funds would not be paid out until the person has lived in Topeka for one-year and if needed, the \$65,000 could be used for Employer Match purposes. She stated she would like to generate an annual survey to understand the overall satisfaction with the community and to confirm recipients are still living in the area.

Mayor Padilla stated the survey could also be used as a tool to advocate for the program.

Deputy Mayor Dobler moved to approve incentive funding in the amount of \$365,000 for the Choose Topeka 2.0 Talent Incentive Program. The motion seconded by Councilmember Naeger carried unanimously on roll call vote. (7-0-0)

PRESENTATION on the 2022 Growth Organization of (GO) Topeka 4th Quarter Report, was presented.

Molly Howey, GO Topeka President, provided an overview of New Business Attraction specifically focusing on (1) mega projects with a top criteria being 200 acres or more of shovel ready property; and (2) the development and growth of aviation and the opportunities available at the Topeka Regional Airport and the Philip Billard Airport. She reported a local Aerospace Sector Taskforce has been working to move the initiative forward and has received a 90-day action mandate from Lieutenant Governor David Toland. She stated GO Topeka continues to work to understand their role in that mandate and how they can effect community readiness as it relates to aviation projects for the airports.

Councilmember Emerson inquired on the details of the 90-day action mandate received the Lieutenant Governor Toland as well as the 200 acres at Forbes Field (Topeka Regional Airport) that he believed was a shovel ready site.

Molly Howey reported GO Topeka has been working with the State to make them aware of the aviation assets already in the area and to receive feedback from the State regarding how Topeka-Shawnee County could better be positioned for aviation projects and the market industry. She thanked Paul Hughes, Deputy Secretary of Business Development, Kansas Department of Commerce, for touring the airports and providing feedback. She reported on a site visit from a company in the fall of 2022, and the feedback received was that as a community, Topeka was not ready due to the need to address overall infrastructure, training, available sites, policies and procedures. She confirmed there was a 200-acre site they are considering located at Forbes Field; however, they are in the stage of taking inventory and gathering information regarding timing, costs, and utility/power requirements to make sites truly shovel ready.

Trina Goss, GO Topeka Director of Business & Talent Initiatives, reported on Work Force initiatives including area high school and university students, local manufacturing companies, career fairs, childcare initiatives and assisting exiting military families.

Commissioner Riphahn asked if GO Topeka was noticing a trend in regards to employees working in the Topeka-Shawnee County area; however, they are not living in Topeka-Shawnee County.

Trina Goss stated she would have to research and report back to the JEDO Board.

Stephanie Moran, GO Topeka Senior Vice President of Innovation, provided a recap on the Plug and Play Program and announced Animal Health Selection Day on March 15, 2023; Expo-Topeka on June 14-15, 2023; Animal Health Selection Day August 30, 2023; and SUMMIT-Silicon Valley on December 5-7, 2023. At the close of the presentation, GO Topeka displayed a short marketing video.



NO FURTHER BUSINESS appearing the meeting adjourned at 7:06 p.m.

(SEAL)

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Brenda Younger City Clerk

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