

Joint Economic Development Organization Board Minutes
May 10, 2023

The Joint Economic Development Organization (JEDO) Board Members met at 6:00 p.m. in the City Council Chambers, Topeka, Kansas, with the following voting Board Members present: 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 -6. City of Topeka Mayor Michael Padilla presided -1.

Non-voting Board Members absent: City of Topeka Councilmembers Karen Hiller, Christina Valdivia-Alcala, Sylvia Ortiz, Brett Kell, Spencer Duncan and Michelle Hoferer - 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 by no later than 5:00 p.m. on May 10, 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 on or before May 10, 2023.

THE PLEDGE OF ALLEGIANCE was recited by meeting participants.

APPROVAL of the MINUTES of the JEDO Board Meeting of February 8, 2023, was presented.

Deputy Mayor Dobler moved to approve the minutes. The motion seconded by Commissioner Riphahn carried unanimously on roll call vote. (7-0-0)

Councilmember Ortiz joined the meeting remotely.

APPROVAL of AMENDMENT NO. 2 to the Incentive Agreement between GO Topeka and Project Gigi (*Global Grain*) was presented.

Ashley Lehman, GO Topeka Director of Business Development, reported the proposal was an amendment to the Incentive Agreement for Global Grain seeking to invest another \$725,000 and add an additional six new jobs with an average salary of \$60,000. The economic impact over six years would be \$51.5 million with a 41% return on investment. GO Topeka Staff recommended approval of the contract amendment.

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

Ryan Boxterman, Global Grain, thanked JEDO Board members for the opportunity and reported the business was growing.

APPROVAL of Contract No. C-01-2023 an AMENDMENT to the 2022 Cash Carry-Forward Agreement between GO Topeka and the Joint Economic Development Organization to increase the amount from \$15,600,000 to \$15,663,522, was presented.

Molly Howey, GO Topeka President, reported the final deferred JEDO revenue balance should have been \$15,663,522 for 2022. The original proposal of the cash carryforward agreement was for \$15,600,000, resulting in overage of \$63,522 that was not taken into account when the estimate was made. She stated they received a payment from Kansas Gas Service in the amount of \$235,000 in February 2022. At that time, their finance team excluded this number from the JEDO revenue calculation because it was related to capital expenditures from a decade ago and they did not think they had recognized JEDO revenue when that cash was originally spent. After further research during the 2023 audit, the team realized the amount had been recognized as JEDO revenue at the time the cash was spent for capital expenditures. She noted any rebate related to those expenditures should reduce the amount of JEDO revenue recognized by GO Topeka causing an overage.

Commissioner Riphahn moved to approve the agreement. The motion seconded by Councilmember Naeger carried unanimously on roll call vote. (7-0-0)

APPROVAL of the 2022 GO Topeka Audit Report was presented.

Karen Linn, BT & Co., CPA referenced the Consolidated Financial Statements Years Ended December 31, 2021 and 2022; and the Report to the Board of Directors dated April 27, 2023. She summarized the conclusion from the audit process and noted there were no significant findings.

Commissioner Cook questioned if the additional revenue amount (\$63,522) approved in the previous agenda item would have an impact on the audit results.

Karen Linn stated it would not have a negative impact on audit results and would be considered deferred revenue.

Commissioner Cook moved to approve the 2022 JEDO Audit Report. The motion seconded by Deputy Mayor Dobler carried unanimously on roll call vote. (7-0-0)

PRESENTATION on the 2023 Growth Organization of (GO) Topeka 1st Quarter Report, was presented.

Molly Howey, GO Topeka President, reported a strategy session was facilitated by Metropolitan Topeka Transit Authority (MTAA) to discuss the future of the Forbes and Billard Airports with over 40 people in attendance. She stated since that time, regular meetings have been conducted with JEDO Board members and other community members to discuss continued progress at both airports. She noted a new MTAA employee has been hired and will work closely with the Greater Topeka Partnership (GTP) to be closely aligned with strategies for growing this aviation asset, attracting jobs and capital investment to the community. She reported they will have two site visits from aviation related companies that are considering locating at Forbes and Billard Airports. She

invited JEDO Board members to join them in welcoming this new industry sector they are trying to grow in the Topeka-Shawnee County area. She stated they are discussing the feasibility of a formal research project being conducted by Washburn University and Washburn Technology to determine the type of training needed to fill these types of jobs at all levels. She commented on the Business Retention Expansion (BRE) Survey that was responded to by 75 companies. She reported 50% of the companies plan to substantially increase their capital investment and 70% of the companies plan to add new employees over the next six months.

Commissioner Cook stated the majority of industries located along the South Topeka Boulevard corridor were considered blue-collar jobs and he would like to see white-collar jobs being pursued to build on the core of other business areas in the city.

Molly Howey stated they are in the process of revising incentive guidelines to increase average wages.

Councilmember Ortiz inquired on transportation options available to employees and if companies are willing to participate in the transportation incentive program.

Molly Howey reported GTP consistently discusses and encourages companies to implement incentive guidelines encouraging employees to be located in a transit area that offers public transportation. She stated they have funding set aside for workforce barrier support and remind companies the funding could be used for creative solutions brought forward by companies for their workforce. She noted it was also offered from an entrepreneurial aspect.

Ashley Lehman, GO Topeka Director of Business Development, highlighted the 1st Quarter Trends for New Businesses. She reported there were six active manufacturing projects ranging from plastic goods to farm equipment including two international companies. She stated there were seven other projects they could not accommodate as they were seeking square footage as opposed to acreage as well as access to rail transportation with acreage. She noted overall there are 25 active projects in the pipeline with the majority being manufacturing.

Deputy Mayor Dobler asked how many jobs were generated in the 1st Quarter as a result of new business efforts.

Ashley Lehman stated she would have to report back to the JEDO Board with that information.

Glenda Washington, Chief Equity and Opportunity Officer, highlighted the following events for the Minority and Women Business Development (MWBD) Program:

- Social Entrepreneurship in Neighborhoods
- DEI Summit: Changing Mindsets, Shifting Culture on August 31, 2023
- Co-Hosting Doing Business with the City of Topeka on May 11, 2023
- Equity & Opportunity Advisory Board Committee

Commissioner Cook expressed concern with the Social Entrepreneurship in Neighborhoods and how it would create economic development opportunities for the community.

Matt Pivarnik, Greater Topeka Partnership President and CEO, clarified the program addresses a social need in the community and creates an entrepreneurship opportunity to start a business.

Councilmember Ortiz expressed concern with the application process timeline and asked if they could extend the application deadline in order to accommodate Neighborhood Improvement Association (NIA) meeting deadlines and approvals.

Glenda Washington reported the program has been in place for approximately three months and Network Kansas requires the funds be spent by May 24, 2023, however, she would inquire on an extension.

Councilmember Hiller expressed her appreciation for their efforts to empower neighborhoods as well as the downtown area.

Rhett Flood, Executive Director of Forge Young Talent, highlighted program events, new member growth and marketing recruiting efforts for the 1st Quarter of the 2027 Forge Program.

Commissioner Riphahn asked what Forge was hearing from young people in regards to living and working in the Topeka-Shawnee County area.

Rhett Ford reported the majority of the comments received relate to the lack of night life in Topeka for people under 21 years of age; however, there seems to be a gap in knowledge of the good things that Topeka has to offer.

Trina Goss, GO Topeka Director of Business & Talent Initiatives, highlighted the Choose Topeka 2.0 Program including the new “Make It Yours” Website and the new “SkillFit” Website Platform. A short video was displayed on the websites.

Mayor Padilla commended GTP for the “SkillFit” website.

Stephanie Moran, Senior Vice President of Innovation, announced Stephanie Norwood would serve as the new Director of Small Business Incentives. She provided an update on the Small Business Program including the award of \$133,000 in small business incentives across 29 different incentive categories with the majority related to equipment, construction and marketing. She noted, there have been incentives related to architecture and design as well as proof of concept supporting the Innovation industry. She also reported they are working with a startup business to automate the small business application process.

Troy Flare, TFMCOMM, Inc., spoke to the importance of small business incentives and the assistance provided by GTP.

Stephanie Moran continued to report on the Plug and Play Innovation Program and announced a Plug and Play Innovation Summit would be held June 15, 2023, hosting approximately 20 startup business from around the world. She encouraged JEDO Board members to actively engage with businesses.

Commissioner Mays asked for an update on the Astra Innovation Center, a \$13 million innovation campus being developed by BioRealty, Inc. and GO Topeka.

Stephanie Moran reported BioRealty, Inc, has received \$1.2 million of base grant funding; the project cost has increased by \$2.5 million from two years ago; 50% of the building must be preleased before they can begin construction; and they have applied for New Market Tax Credits to be announced in the 4th Quarter. She stated if they receive tax credits it would allow them to start construction in January 2024 regardless if the preleasing threshold has been met.

Commissioner Cook asked if they are losing potential leases because of the time it has taken to get the project started.

Stephanie Moran stated more than likely the project timeline has caused the loss of potential leases. She stated they continue to seek renters for the space and she believes the securing of New Market Tax Credits will advance the project.

In conclusion, GO Topeka presented a short marketing video.

Deputy Mayor Dobler referenced the City-County Interlocal Agreement requirement to provide Countywide Sales Tax Project status updates to the JEDO Board by May 17 of each year. He requested an update on the projects be added to the September 13, 2023 JEDO Board meeting agenda. He spoke to high inflation rates and significant increases of construction costs and reminded the Board they will need to consider the next steps if required projects are not completed.

NO FURTHER BUSINESS appearing the meeting adjourned at 7:12 p.m.