

Joint Economic Development Organization Board Minutes
September 13, 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: Present: City of Topeka Councilmember Karen Hiller -1. Absent: Councilmembers Christina Valdivia-Alcala, Sylvia Ortiz, Brett Kell, Spencer Duncan and Michelle Hoferer - 5.

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 September 13, 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 September 13, 2023.

THE PLEDGE OF ALLEGIANCE was recited by meeting participants.

Mayor Padilla stated he has been asked by Henry McClure to add an action item to the agenda as Item 3D relative to the Travelers' Inn located at 3846 SW Topeka Boulevard. He announced JEDO Operating Rules allow additions to the agenda by any voting member subject to the approval of at least four voting members.

Mayor Padilla moved to add the item to the agenda as requested by Henry McClure. The motion seconded by Deputy Mayor Dobler carried unanimously on roll call vote. (7-0-0)

APPROVAL of the May 10, 2023 JEDO Board Meeting Minutes, was presented.

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

APPROVAL of the 2022 JEDO Board Audit Report, was presented.

Stacey Hammon BT & Co., Certified Public Accountants, referenced the Consolidated Financial Statements Year ended December 31, 2022 and the Report to Board of Directors dated August 4, 2023. She summarized the conclusion from the audit process and noted there were no significant findings.

Commissioner Mays moved to approve the 2022 JEDO Audit Report. The motion seconded by

09-13-23 (FINAL)

Commissioner Cook carried unanimously on roll call vote. (7-0-0)

APPROVAL of Amendment No 1 to the Incentive Agreement between Growth Organization of Topeka/Shawnee County, Inc., (GO Topeka) and Polo Custom Products in the amount of \$140,000, was presented.

Ashley Lehman, GO Topeka Director of Business Development, reported the proposal for Polo Custom Products (Project J2) was previously awarded incentive funds for jobs and training approved by GO Topeka and JEDO in 2021. Through annual incentive verification, GO Topeka noted an error in the baseline employment and an opportunity to incentivize more training, based on company success they recommend approval of the following amendments to the previously approved incentive contract dated July 2021:

1. Adjustment to base employment from 367 to 23. The Company inadvertently included employees from all their sites in multiple states in original contract. 23 were based in Shawnee County at the time of the original contract.
2. Additional training funds in the amount \$140,000 for a total of \$200,000 including the \$60,000 previously approved. This supports reimbursement of training costs at up to \$1,000 per employee for up to 200 individuals.

Deputy Mayor Dobler moved to approve the Incentive Agreement Amendment No. 1 with Polo Custom Projects in the amount of \$140,000. The motion seconded by Councilmember Emerson carried unanimously on roll call vote. (7-0-0)

A PROPOSAL for the Topeka Travelers' Inn was presented by Henry McClure. (The item was added to the agenda.)

Henry McClure referenced the South Topeka Boulevard "Bring Back the Boulevard" initiative and provided an overview of the Travelers' Inn proposal located at SE 3846 SW Topeka Boulevard, Topeka. He requested the demolition of the Travelers Inn Building for the purpose of having shovel ready land to continue the development of the area. He noted the development at SW 32th Street and Topeka Boulevard was moving along as planned.

Commissioner Cook asked Henry McClure if he has permission by the owner of the Travelers' Inn to request the demolition. He also asked for confirmation of the highest demolition bid proposal in the amount of \$217,000 for the Travelers' Inn and questioned why no action was being requested on the Country Club Motel located at 3732 SW Topeka Boulevard. He stated JEDO Board does not have operational funds available and they would have to make a request to GO Topeka for the use of economic development funds. He also questioned if the owner would agree to levy a lien against the property for the cost of demolition to be paid back into a special fund created specifically for additional demolitions.

Henry McClure stated GO Topeka has never accepted retail development as a qualifying type of business to receive funding.

Deputy Mayor Dobler expressed his appreciation for the proposal; however, the Board has hired a contractor to expend economic development funds and would oppose the use of multiple contractors. He questioned the functionality of placing a lien on the property.

Mary Feighny, Deputy City Attorney, reported the lien would be structured similar to a loan on a property with a payment due, and nonpayment would result in a mortgage on the property.

Deputy Mayor Dobler stated regardless of what the JEDO Board decides Mr. McClure will have to follow the proper procedure and present his proposal to GO Topeka for consideration and then to the JEDO Board for final approval.

Mayor Padilla stated he concurs with Deputy Mayor Dobler, however, he expressed the importance of making sure the redevelopment of South Topeka Boulevard continues to move forward.

Henry McClure noted he sold property to GO Topeka 17 years ago and it was still not developed.

Commissioner Mays spoke in support of the proposed demolition of the Travelers' Inn; however, the demolition proposal from Mr. McClure was more of a concept than a redevelopment plan. He stated he would support structuring the funds in the form of a loan and noted, the area could become part of the existing TIF District allowing the developer to be reimbursed on certain expenses. He stated he believes the first step of plan would be securing a Letter of Intent for Travelers' Inn and the Country Club Motel.

Henry McClure provided an overview of his proposed plan to make the property shovel ready. He questioned the purpose of the City of Topeka Land Bank and suggested treating his proposal as a Land Bank opportunity while he was in the process of finalizing a Letter of Intent.

Deputy Mayor Dobler asked Staff to explain how Countywide Half-Cent Sales Tax revenue was allocated and if they anticipated funds being left over.

Rachelle Mathews, City of Topeka Administrative & Financial Services Deputy Director, reported GO Topeka receives \$5 million annually generated from the Countywide Half-Cent Sales Tax with the remaining divided between the City and County. Shawnee County receives 52% and the City of Topeka receives 48% and left-over funding was not anticipated.

Deputy Mayor Dobler expressed concern with having enough Countywide Half-Cent Sales Tax revenue to fund the projects approved by the voters.

Councilmember Emerson stated he concurs with Commissioner Mays and would like to see a project plan as well as how TIF District incentives could be utilized. He suggested Mr. McClure meet with GO Topeka Staff members and draft a proposal.

Henry McClure stated he intends to meet with GO Topeka while continuing to work on a master plan for the property he controls. He spoke in support of all parties involved figuring out a way to do things differently for economic development in the community.

Councilmember Emerson suggested Mr. McClure work with the City on the demolition proposal.

Commissioner Riphahn stated he believes the proposal was a good start; however, he would like to see more visuals in regards to an economic development plan.

Commissioner Cook asked Greater Topeka Partnership to comment on past demolition and innovation projects as well as retail and infill development.

Molly Howey, GO Topeka President, confirmed there have been initiatives, however, there remains a need to close the gap. She stated GTP Staff welcomes the opportunity to have a bigger conversation about the subject matter.

Matt Pavarnik, Greater Topeka Partnership President & CEO, confirmed they would like to be part of the solution to demolish both hotels as it was important to the development of South Topeka Boulevard. He expressed the need to have conversations with the owner.

Henry McClure thanked the JEDO Board for listening to his proposal idea and providing him with options to consider.

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 the Global Grain (Project GiGi) Incentive Agreement Amendment No. 2 in the amount of \$45,400. 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.

AN UPDATE on the Countywide Half-Cent Retailers Sales Tax Projects, was presented.

Curtis Niehaus, JEDO Finance Committee Chair, provided a brief overview of the status of County and City projects. (See Attachment A)

Councilmember Emerson inquired on how project expenses were determined.

Commissioner Cook asked from a public works aspect why the NE Rochester Road project was an important project.

Chairman Niehaus reported the County and City independently determined a best estimate of project costs at this time; and the NE Rochester Road improvement project was important because it would bring people into the city as well as serve area school districts.

Deputy Mayor Dobler asked how projects were prioritized to accommodate the low range revenue scenario or if there was an increase in prices beyond what was anticipated, specifically as it relates to delta revenue.

Shawnee County Public Works Director Niehaus stated the projects were altered to fit the project budgets.

City of Topeka Public Works Director Braxton Copley stated the scope of projects were reduced or projects were eliminated.

Deputy Mayor Dobler encouraged Staff to reduce the scope of projects as they progress when possible. He expressed his appreciation to Staff for their careful consideration of each project.

Commissioner Cook inquired on the specifics of the ballot question approving sales tax projects.

Mary Feighny, Deputy City Attorney, reported 18 specific projects were listed and approved by the voters; however, the JEDO Board has the authority to prioritize the projects.

Councilmember Hiller asked if Shawnee County plans to use ditches as opposed to storm sewers.

County Public Works Director Niehaus reported they have considered the pros and cons of both options.

Councilmember Emerson expressed his confidence in the County and City Public Works Directors to have the knowledge to manage or reduce the scope of projects as needed.

Commissioner Riphahn asked if there would be interest earned on the sales tax funds.

Freddy Mawyin, City Chief Financial Officer, confirmed interest would be earned on the funds; however, it was anticipated revenue would become level and not continue to increase at the same rate.

PRESENTATION on the 2023 Growth Organization of (GO) Topeka 2nd Quarter Report, was presented.

Molly Howey, GO Topeka President, recognized Trina Goss for being selected to participate in the U.S. Chamber Foundation Education and Workforce Fellowship Program. She referenced the 2nd Quarter Report included in the agenda packet and stated they have created a dashboard outlining year-to-date as of June 30, 2023 matrix numbers in a more simplified form.

Stephanie Norwood, Director of Entrepreneurship and Small Business Incentives, asked small business owners of two separate companies to provide comments regarding the small business incentives they have received for equipment and marketing.

Paul & Regina Brown, owners of Automation Controls, thanked GO Topeka Staff and Washburn Tech for their partnerships in helping them move their business forward.

Jeremy Mace and Mark Burdick, Mark's Overhead Doors, thanked GO Topeka Staff for their partnership in helping them move their business forward.

Senior Vice President Moran continued to report on the new pilot program targeting the growing Hispanic and Latino community. She stated the new program offers information sessions in a location that was accessible and neutral through translation and the building of trust. She provided an overview of the areas of the city and county along with demographics that are receiving small business incentives. She highlighted marketing and Small Business Council efforts

Stephanie Moran, Senior Vice President of Innovation, reported on the Plug and Play Innovation Program Summit held on June 15, 2023 with 176 in attendance and 740 million reached on media coverage. She stated the Summit resulted in approximately 23 startup business with 11 of those focusing on animal health as well as 12 in Agricultural Technology.

Ashley Lehman, GO Topeka Director of Business Development, highlighted the 2nd Quarter Trends for New Businesses. She reported on Aviation efforts and New Business Attraction materials. She distributed a copy of the economic development booklet to be used as a resource for new business attractions.

Glenda Washington, Chief Equity and Opportunity Officer, highlighted the following 2nd Quarter events for the Minority and Women Business Development (MWBD) Program. She stated should would share the survey results with the Board via email.

- Celebrating Black-Owned Businesses
- DEI Summit: Changing Mindsets, Shifting Culture on August 31, 2023
- The Fusion Network
- Community Conversations

Rhett Flood, Executive Director of Forge Young Talent, highlighted the TopCity Interns Program hosting five events in seven weeks, supporting 400 interns and 40 participating employers resulting in more integration between interns and Forge members. He stated they are in the process of collecting data from employers for future years.

Trina Goss, GO Topeka Director of Business & Talent Initiatives, announced they were awarded the Child Care Accelerator Grant in the amount of \$2,762,113 creating an additional 451 childcare slots in Shawnee County through nine projects and eight additional classrooms. She stated the grant period began on July 1, 2023, with Countryside United Methodist Preschool opening nine additional slots; Saint Prep Academy opening two classrooms that were previously closed offering 10 additional slots; and the new Patterson Family Infant and Toddler Care Center will host their ground breaking ceremony on September 30, 2023, offering an additional 31 slots when completed. She also reported on the receiving of the Innovative Communities Grant in the amount of \$249,875 for workforce recruitment and retention and public/private funding partnerships. She noted most of the work for the grant will be handled by Childcare Aware of Eastern Kansas a project consultant and GTP will manage funding allocations. She stated the grant funding would be used for gap funding childcare needs, family scholarships to pay for childcare; and to fund substitute teachers.

Commissioner Riphahn asked if the childcare numbers have recovered after the 2020 COVID-19 pandemic.

Director Goss stated she would report back to the JEDO Board on the actual number.

Molly Howey, GO Topeka President, announced GO Topeka will be working with Advisors Excel in researching demographics and data for the best use of the Westridge Mall space. She reported GO Topeka has been working extensively on their 2024 Operating Budget and they are ready to conduct one-on-one meetings with JEDO Board members to answer questions.

AN UPDATE on the Astra Innovation Center was presented.

Stanley Wenzel, BioRealty, Inc., provide a brief presentation on the status of the project. He thanked JEDO Board members for their efforts and support of the project to make it financially feasible. The presentation included a brief history of the project and the conclusions of the viability assessment, the pre-leasing and economic gaps, a summary of the escalating construction costs, the plan moving forward, the status of New Market Tax Credits and project readiness.

Commissioner Cook asked if they anticipate receiving the New Market Tax Credits in the next 60 days and if not, was there an alternate plan. He expressed concern with the 50% prelease threshold and when should they reassess this requirement of the project.

Mr. Wenzel stated they do anticipate the award of tax credits until October and construction began in April 2023; however, if they do receive the tax credits they will complete the project in phases or reduce the project scope and reduce the preleasing threshold to 15%.

Commissioner Cook asked GO Topeka to report back to the JEDO Board at the December 13, 2023 JEDO Board meeting.

PUBLIC COMMENT was provided by the following individual.

LaZone Grays provided an update on his visit to Microsoft Headquarters regarding the Kansas Microsoft Techspark program providing workforce training services to low-income youth and adults receiving or eligible for public assistance. He announced Microsoft executives will be visit Topeka for two days in October and requested meeting with stake holders and community partners. He highlighted the building blocks of progress to bridge the digital divide.

Mayor Padilla announced the next JEDO Board meeting would be held on December 13, 2023.

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