

**Joint Economic Development Organization Board Minutes  
October 13, 2009**

Greater Topeka Chamber of Commerce Board Room, Topeka, Kansas, Tuesday, October 13, 2009.

The Joint Economic Development Organization (JEDO) Board members met at 3:00 P.M., with the following Board members present: City of Topeka Councilmembers Larry Wolgast, Bob Archer and Sylvia Ortiz; City of Topeka Mayor Bill Bunten; and Shawnee County Commissioners Vic Miller, Shelly Buhler and Ted Ensley. Absent: City of Topeka Councilmember Harmon.

Mayor Bunten called the meeting to order.

**MINUTES** of the JEDO Board meeting of May 26, 2009 were presented.

Commissioner Miller requested the spelling of Councilmember Karen Hiller's last name be corrected on page 1 of the minutes.

Councilmember Wolgast moved to approve the JEDO Board Minutes of May 26, 2009 as corrected. The motion seconded by Commissioner Miller carried unanimously.

**DISCUSSION** of plans for a New Business Park Development was presented.

Doug Kinsinger, Greater Topeka Chamber of Commerce/GO Topeka stated that the development of the Central Crossing Commerce Park began in 2002 and is currently the site where the Home Depot Distribution Center is located. He stated that the Central Crossing Commerce Park consists of 500 acres and approximately 170 acres is still available; however, only 130 of the 170 acres is developable property. He reported that GO Topeka has received a number of requests over the past 18 months for projects requesting more acreage than is available at the Central Crossing Commerce Park; therefore, generating the potential need for a new business park. He stated that the process to review potential locations for a new business park began with the development of a task force directed by Terri Neher, U.S. Bank, consisting of members from the City and County. He continued to explain the selection of the site. He stated that GO Topeka distributed a request for proposal to 16 qualified engineering firms within Shawnee County, and Bartlett & West Engineers was selected to conduct the extensive review. He also stated that the review was based on 40 different criteria of what would be the most important qualifications for the next business park site. He noted that the following site qualifications were required: (1) at least 500 to 1000 acres (2) good transportation access including rail, highway and air service (3) topography (4) located within the City's three-mile extraterritorial jurisdiction, and (5) minimal or no environmental issues. He continued to report that GO Topeka has invested \$5.8 million in the Central Crossing Commerce Park to date, and \$4.4 million of that amount was used for acquisition of land; and the remaining \$1.4 million was invested for infrastructure; the City invested over \$1.5 million for street extensions; and additional funding was received through federal

grants. He stated that the outcome of the business park was an initial investment of \$5.8 million creating approximately 1000 jobs that generated an annual payroll of \$30 million resulting in a \$60 million economical impact for the Topeka/Shawnee County area.

Steve Jenkins, Greater Topeka Chamber of Commerce/GO Topeka reported that they reviewed what type of land assets could be used as an incentive to bring economic development to the area. He stated that they must consider per capita of acreage, and have at least 939 acre sites to be competitive with those they are consistently trying to compete against. He also stated that the site location must offer an incentive to be competitive in developing a next generation business park. He noted that the community approved a half-cent sales tax to allow them to put assets in place and make sure they are competitive for those bringing a new facility to the community.

Neil Dobler, Bartlett & West Engineers stated that they were directed to identify three site locations and rank each site based on the availability of utilities, transportation, environmental factors, site suitability and cost. He stated that the initial screening consisted of making sure the site was at least 500 to 1000 acres; located within the three-mile extraterritorial jurisdiction; good transportation access including rail and airport access; what utilities are available and what needs to be extended to the site; and reasonable terrain to work with was essential.

Steve LaCross and John Ladson, Bartlett & West Engineers gave an overview of the availability of utilities for each site. The following was reported:

**Water** – East site would require a storage tank to make it viable; has the characteristics of rural water lines in place and would have to purchase those lines from the rural water district at a tangible price; Northwest Site would need approximately \$2.5 million of waterline extensions; and South Site would need a storage tank and two-miles of waterline extensions totaling \$6 million

**Gas** - East and North sites have gas lines available; and South site currently has a 2-inch line that would be sufficient to supply gas to one building; however, a three-mile extension of an 8-inch gas line would be required to supply gas to the second building

**Fiber Optics** - Available to all sites

**Sanitary Sewer** - Service is available to all sites; however, it is not physically present on any of the sites; therefore, all sites would need to install a pump station and lines at a cost ranging from \$500,000 to \$1 million.

**Electric** - All sites need to construct a substation at a cost of \$5 million; Northwest site has one backup substation; East site would need to construct two substations; South site has electrical availability for 1 to 2 users but will need to be upgraded in the future

**Transportation** – All sites have very good access to a main highway. Northwest and East sites have access to the Union Pacific Railroad; South site has access to BNSF Railroad which is more agreeable to installing a siding than Union Pacific Railroad. North site is located approximately 10 miles from Billard Airport; East site is located within 2 miles of Billard Airport; and South site is located within a half-mile of Billard Airport.

**Environmental Factors** - (1) Floodplain – majority of the Northwest site is located within the 500 year floodplain; (2) Potential Wet lands – all sites have a small amount of wet lands; (3) Hazardous Waste Potential – a couple insignificant issues on each site (4) Historic Sites – North and East sites have a couple historical sites located within the area

**Property Acquisition** – Northwest and East sites have similar amount of homeowners; and South site has only one homeowner

**Topography** - East site has a gentle 2.7% slope, creek that drains to one central point and shallow rock; Northwest site is extremely flat and would require additional dirt for proper drainage and deep rock; South site has a 1-3% gentle slope, a creek that drains to one central point and the rock is buried eight feet underground.

**Major Easements** – East site has two overhead power easements running diagonal through the property; Northwest site has one underground power easement; and South site has one underground power easement

**Zoning/Comprehensive Plan** – All sites would require island annexation. East site consists of mixed use and residential zoning; Northwest consists of rural and residential zoning; South site consists of industrial and residential zoning

**Decision Matrix and Recommendation** – The South site was recommended as the best location for a new business park development based on the availability of utilities, transportation factors, environmental factors, site suitability and cost.

Stan Meyers, Bartlett & West Engineers reported that the following design parameters and concept considerations were used when developing the new business park:

Design Parameters

- Innovative – the park must be a sustainable design, protect the natural resources and amenities, promote energy conservation and encourage renewable energy
- Attractive – the park must be developed with the highest standards, used to brand Topeka and Shawnee County as a global center for the biosciences and alternative energy industries
- Flexible – have the ability to adjust quickly to changes in the industries and important to life sciences and renewable energy companies

### Concept Considerations

- Average Lot Size and Configuration
- Shared Energy Areas
- Iconic Elements and Way finding
- Accessibility – Rail, Vehicular and Pedestrian Access

Mr. Myers presented the following concepts of the new business park and stated that it is important to make use of the natural amenities of the property and create a modern 21<sup>st</sup> century business park. He stated that they tried to create a sense of community for the employees of the business park by proposing the buildings be placed closer together and include lots of green space, trees, walking trails, water features, landscaping and iconic features. He also stated that the businesses will be encouraged to go “green” by utilizing on site water and sewer management and shared energy. He noted connectivity would be insured through walking trails and roads.

### Concept A

- Heavy Industrial: 488 acres
- Industrial/Business/Technology: 510 acres
- Shared Energy Areas: 6 acres
- Green Space: 104 acres

### Concept B

- Heavy Industrial: 523 acres more green space
- Industrial/Business/Technology: 432 acres
- Shared Energy Areas: 6 acres
- Green Space: 184 acres

Phase One of the project would consist of the east half of the property consisting of five lots located on the east side of Highway 75

Phase Two of the project would include the remainder of the property, construction of the railroad spur, construction of Topeka Boulevard roads, landscaping and water features

Steve LaCross reported that the average cost per acre to begin the initial implementation of the project would range between \$11,000 and \$22,000 which includes the cost for platting and zoning; construction of street entrance; railroad switch and siding; construction of pump station and force main; and offsite utilities.

Neil Dobler discussed possible funding sources for the project. He stated that funding could be provided through private, federal, state and local government mechanisms including the Kansas Partnership Fund; Kansas Economic Opportunity Initiative Fund; Transportation Development Districts; Transportation Utility Fee; Tax Increment Financing; Local Economic Development Half Cent Sales Tax; Community Improvement Districts; and federal stimulus funds.

Steve Jenkins requested approval of Phase One of the New Business Park Land Acquisition consisting of 409.48 acres located east of U.S. Highway 75 optioned through 2009. He noted that there would be four landowners involved in the process. He requested approval of the following:

- (1) Ratify \$29,625 for options through the end of 2009. Closings anticipated in December 2009.
- (2) Approve the purchase of 409.48 acres of land at the potential highest amount of \$4,095,977.50 (\$4,125,602.50 less \$29,625 option cost applied to the purchase.)
- (3) Approve the cost of engineering and follow-up environmental of \$758,000. (offsite utilities, entry, sewer pump station and force main, railroad switch and stub out, platting and zoning, soil samples) Carry over to 2010.
- (4) Approve \$40,000 for estimated legal costs.

Mr. Jenkins also requested approval of Phase Two of the New Business Park Land Acquisition consisting of 609 acres located west of U.S. Highway 75 optioned through 2012. He noted that there would be two landowners involved in the process. He requested approval to ratify \$67,675 for options through the end of 2012.

Doug Kinsinger commented on the extensive research and meetings that were conducted to compile the new business park and stated that he was confident the park would meet the long-term needs of the community.

Councilmember Archer stated that for the purpose of developing a new business park, I move that JEDO authorize the purchase of the Bartlett & West Engineers defined Phase 1 real estate property comprised of 409.48 acres of land east of U.S. Highway 75 for a total cost not to exceed \$5,000,000 to include but not limited to ratification of \$29,625 for options through the end of 2009; net acquisition costs of \$4,095,977.50; legal, closing and related costs of \$40,000 with a closing to occur prior to the end of 2009; and development expense of engineering and environmental costs of \$758,000 to be initiated in 2009 and completed in 2010. The motion seconded by Commissioner Ensley carried unanimously. (6-0-0)

Councilmember Wolgast stated that for the purpose of expansion area for a new business park, I move to ratify and continue through 2012 real estate property purchase options for Bartlett & West Engineers defined as Phase 2 acquisition of real property comprised of 609 acres of land and buildings west of U.S. Highway 75 for a future business park for an amount not to exceed \$67,675. The motion seconded by Councilmember Wolgast carried unanimously. (6-0-0)

**REVIEW OF GO TOPEKA PERFORMANCE GOALS** were presented by Steve Jenkins, Topeka Chamber of Commerce/GO Topeka.

Steve Jenkins reported that GO Topeka has created a total of 8,352 primary jobs with a total investment of \$823 million since 2002. He stated that as a community they have a

lot to celebrate this year compared to other areas of the country. He reported that GO Topeka has secured the following four major economic development projects with a total investment of \$348 million retaining a total of 1,575 jobs, and 325 newly created jobs:

1. Home Depot Distribution Center with an investment of \$25 million
2. Frito Lay Warehouse Facility with an investment of \$60 million
3. US Food Service Facility Expansion with an investment of \$13 million
4. Good Year Tire & Rubber Company Product Line Expansion with an investment of \$250 million

Attraction Program – The program has reached 71.3% of the target goal of 750 leads this year and 50% of the number of newly qualified projects of the annual goal has been accomplished. The program reflects the change in economy as projects have slowed down considerably. Investors are taking the “wait and see” attitude regarding the economy. Attitudes have changed radically in industries, and companies are taking a whole new approach of cutting costs and work force.

New and Retained Jobs – The annual goal for the creation of new jobs was exceeded for a total of 325 new jobs. The actual number of retained jobs to date is 1,575.

Capital Investment – The annual goal of \$40 million was exceeded. The actual capital investment to date is \$346 million. As a community, we must consider large capital investments and quality jobs to measure success. The current trend ratio is \$1 million of capital investment per job created. The demand would consist of fewer higher paying quality jobs.

Average wage – The annual goal is \$29,971 about 80% of the average. The number of jobs saved and created is slightly under \$50,000 per year per job.

Current active projects – They were notified that a project has been eliminated from negotiations that would have created 1,000 jobs. The company chose a vacated facility in Michigan that could serve their needs. The Palo Verde project (alternate energy plant) officials will be visiting the Topeka/Shawnee County area soon, and if secured the project would create 300 jobs and a capital investment of \$60 million.

Existing Business – The annual goal is 200 company visits per year. Actual company visits to date is 151.

Educational Programs – The annual goal is to offer 9 educational programs to existing businesses and industries per year. Actual education programs conducted to date is 7.

#### Workforce Development

Skill Assessment - In the process of receiving proposals to conduct a comprehensive workforce assessment for the labor draw area which includes the

Municipal Services Area (MSA) and additional areas in the county located outside the MSA.

Sector Roundtables – They will continue to pursue roundtables; however, it is difficult in today’s environment because managers are extremely busy and being held accountable for one thing, to generate money. Do conduct Resource Roundtables on a consistent basis.

WorkKeys Pilot Project – They are in the process of conducting the WorkKeys Pilot Project and testing will be complete by the end of this year. All high schools are participating in the project and seniors are being tested on three working modules. The project will provide them with the skill set available in the community. The results will be a marketable tool to present to companies considering relocating to the area.

Workforce Website Data – Plan to update the website and include the WorkKeys Pilot Project data

#### Entrepreneurial/Minority Business Development

Disadvantaged Business Enterprise (DBE)

DBE Businesses Materially Assisted – The annual goal is to materially assist 100 DBE clients. Actual to date is 95.

DBE Business Jobs Created – The annual goal is to create 20 DBE Business jobs. Actual to date is 38.

Status of Certified Community Development Financial Institution (CDFI) – The annual goal was to be certified by the end of 2009. The application was submitted to the U.S. Treasury Department in October 2009. The project is ongoing and has absorbed approximately 322 staff hours. Actual certification is anticipated by the first quarter of 2010.

In closing, Steve Jenkins stated that the landscape of economic development is changing and quoted the following statement, “Companies fail not because they do the wrong thing or because they do the right thing poorly, but because they fail to understand a fundamental shift in the theory of business.” He stated that there are now new marketplace demands that must be met, as well as, new things to consider such as, enhancing the community to attract the jobs of the future and attract and retain young professionals; develop the workforce with mechanical, electrical and science skills; and encourage entrepreneurial development.

**UPDATE TO SECURE COMMERCIAL AIR SERVICE** for Topeka/Shawnee County was presented by Eric Johnson, Metropolitan Topeka Airport Authority Chief Executive Officer.

Eric Johnson stated that Sixel Consulting Group has been hired for consulting purposes, and they have applied for a small community air service development grant. He explained that the grant would be used to update the market study and determine how the new air service in Manhattan, Kansas is working. He stated that an airline is interested in utilizing Topeka; however, a custom facility would need to be installed. He reported that the airline is proposing numerous flights a week, which would generate a great deal of revenue. He reported that MTAA is changing their approach in how they operate the airport; creating a new performance schedule based on rates and charges for airlines to review; continues to work with the Topeka Chamber of Commerce to help with the custom facility expenses; and the air service development grant should be awarded within the next month.

**FEDERAL FUNDING REQUESTS FOR FY 2011** was presented by Doug Kinsinger, Great Topeka Chamber of Commerce.

Doug Kinsinger reported that JEDO has been working to define federal funding priorities since 2002, and as a result of their efforts they have received over \$34 million in federal funding. He asked the Board to begin considering projects they want to submit for federal funding assistance in 2010. He stated that projects must be accompanied by a project budget, analysis and/or study, and a source that would provide a local funding match for the project. He reported that they have already been awarded \$485,000 of EPA grant funding to be used for infrastructure in South Topeka. He noted that the EPA grant requires a local funding match and GO Topeka is considering providing the funding match to be used for utility improvements in the Central Crossing Commerce Park area; and to begin the extension of utilities to the new business park as defined and approved by JEDO.

Mayor Buntin commended the members of GO Topeka and the Greater Topeka Chamber of Commerce for their hard work in securing economic development for the community, now and in the future.

Upon hearing no further business, the meeting was adjourned at 4:24 p.m.