

**Joint Economic Development Organization Board Minutes  
September 12, 2011**

City of Topeka Council Chambers, 214 SE 7<sup>th</sup> Street, Topeka, Kansas, Monday, September 12, 2011.

The Joint Economic Development Organization (JEDO) Board members met at 6:00 p.m. with the following Board members present: City of Topeka Councilmembers John Alcalá, Denise Everhart and Andrew Gray; City of Topeka Mayor William W. Bunten; and Shawnee County Commissioners Shelly Buhler and Ted Ensley -6. Absent: Commissioner Vic Miller -1.

Also present were nonvoting JEDO Board members: Councilmembers Sylvia Ortiz, Bob Archer (Chairman) and Chad Manspeaker. Absent: Councilmembers Karen Hiller, Larry Wolgast and Richard Harmon

Chairman Archer called the meeting to order.

**APPROVAL of the Minutes of the JEDO Board meeting of July 11, 2011 was presented.**

Mayor Bunten moved to approve the Minutes of the July 11, 2011 JEDO Board meeting. The motion was seconded by Councilmember Alcalá.

Commissioner Buhler noted a typographical error on page 5, paragraph 6 of the minutes. She stated the word “in-bath” should be replaced with the words “National Bio and Agro-Defense Facility (NBAF).”

Joseph Ledbetter referenced the reporting requirement outlined on page 7, paragraph 1 of the minutes. He stated he wanted to make sure citizens were aware the report must be provided to GO Topeka, JEDO, the City Clerk and the County Clerk. He also submitted an email to the City Clerk that he received from Mr. Doug Kinsinger listing the amount of funds (\$220,000) transferred from GO Topeka to The Greater Topeka Chamber of Commerce in the months of April, May, June and July of 2011.

The motion to approve the Minutes of the July 11, 2011 JEDO Board meeting as amended carried unanimously. (6-0-0)

**APPROVAL of an amendment to the Pledge of Revenues Agreement Sales Tax Revenue Bonds, Series 2006 (Topeka Boulevard Bridge); City of Topeka Contract No. 41477; and Shawnee County Contract No. C318-2011, was presented.**

Pam Simecka, City of Topeka Acting Budget and Finance Director stated the refunding option relates to the refinancing of the bonds for the Topeka Boulevard Bridge issued by the City in 2006. She reported the refinance of bonds would allow a reduction in the reserve requirement, secure a lower interest than what was previously acquired, generate an estimated cash savings of \$1.6 million over the life of the bonds, and the life of the bonds would remain the same.

Mayor Bunten asked when the bonds would expire.

Pam Simecka stated the bonds would expire in 2016, when the sales tax sunsets.

Commissioner Buhler inquired on the use of the debt service reserve fund.

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Pam Simecka stated they would reduce the reserve fund and use that money to pay off some of the outstanding principle on the bonds and borrow less with the new bonds.

Councilmember Alcalá moved to approve the amendment to the agreement. The motion was seconded by Councilmember Everhart.

Joseph Ledbetter read line 4 of the 2004 sales tax question as follows, “SE Croco Road from U.S. 40 Hwy (6<sup>th</sup> Street) to SE 29<sup>th</sup> Street.” He stated line 3 of Attachment A, the Sales Tax Infrastructure Project Schedule, of the Interlocal Agreement, (Shawnee County Contract No. C334-2004 and City of Topeka Contract No. 34790) should reflect “SE 29<sup>th</sup>” instead of “SW 29<sup>th</sup>.” He requested the error be corrected before approving the amendment to the agreement. He questioned the use of \$1.5 million of the sales tax funds to widen 1/3 of a mile south of SE 29<sup>th</sup> Street on SE Croco Road. He asked if the amendment (\$1.6 million cash savings) rectifies the project because that portion of road improvements was not included in the 2004 ballot question verbiage. He stated he is glad the life of the bonds would not extend past the sunset of the sales tax.

Mary Feighny, Assistant City Attorney stated in her opinion the typographical error referenced by Mr. Ledbetter is not relevant to the amendment being considered.

Pam Simecka stated this is the first time she has been made aware of the concerns raised by Mr. Ledbetter; however, she would contact the Shawnee County Finance Director and discuss the matter. She noted the amendment strictly relates to the refinancing of the Topeka Boulevard Bridge.

Chairman Archer requested Mr. Ledbetter give all documentation to Pam Simecka for review and to report her findings to the JEDO Board.

The motion to approve the amendment to the agreement carried unanimously. (6-0-0)

**DISCUSSION on the Interlocal Agreement between Shawnee County (Contract No. C334-2004), the City of Topeka (Contract no. 34790), and the Joint Economic Development Organization (Contract No. C-1-2010) addressing the use of 10% of GO Topeka funding for economic development for socially and economically disadvantaged individuals and businesses; and changes to the Minority & Women Business Development Advisory Council.**

Councilmember Gray requested to explore the option of replacing current Advisory Council members with new members appointed by the City Council and the Shawnee County Commission. He stated each Councilmember and each Commissioner would appoint one person to the board to allow input from citizens. He reported he reviewed the documentation he received from GO Topeka and The Greater Topeka Chamber of Commerce and noted he has questions relating to the information he received.

Chairman Archer requested GO Topeka provide a presentation on the Entrepreneurial & Minority Business Development Program prior to addressing Councilmember Gray’s questions.

Steve Briman, GO Topeka Executive Board Vice President reported the Entrepreneurial & Minority Business Development Program, (EMBD) formerly know as the Disadvantaged Business Enterprise Program, is a primary focus of GO Topeka that has evolved into a national competitive program. He stated the program is available to all Shawnee County entrepreneurs; however, the program’s focus is minority, women and low to moderate income entrepreneurs and business owners. He stated the Advance Automation Robotics Program is a great example of the Council’s partnership and collaboration with the community and the robotics program

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idea was generated from the Minority & Women Business Development (MWBD) Council and the EMBD Program of GO Topeka. He reported a representative from the Ewing Marion Kauffman Foundation Urban Entrepreneur Partnership Program communicated to him that one of their Board members is interested in learning how they may partner with the EMBD Program of GO Topeka and their future efforts. He noted the Company's interactions with economic development programs on a national level and their appreciation of the holistic approach of serving entrepreneurs by providing ecosystems for business.

Doug Kinsinger, President and CEO of the Greater Topeka Chamber of Commerce stated pursuant to the agreement with GO Topeka and JEDO they have successfully built the EMBD Program from the 10% of funds allocated annually for the program. He noted they have submitted quarterly reports since the outset of the program. He provided a brief overview of the outline and structure of the Advisory Council. He reported the purpose of the MWBD Council is to act as a liaison between the community and GO Topeka; expand the outreach of the EMBD Programs and GO Topeka resources; evaluate and identify existing programs and make recommendations on how to best utilize the already existing resources for programs as defined by JEDO; and make recommendations for additional programs. He stated the composition of the Council directly reflects the population they are asked to represent and serve, moving away from a social needs focus to a focus on job creation, entrepreneurship, economic development and work force skill sets. He reported the Council consists of ten (10) members dedicated and committed to the job, providing excellent leadership and program guidance to GO Topeka.

Diana Rimerez, Minority & Women Business Development Council Chairman, stated the purpose of Entrepreneurial & Minority Business Development funding program is to increase the accessibility, visibility and viability of entrepreneurialism and small business growth for MWBD defined entrepreneurs in the community and to promote economic development in Topeka and Shawnee County. She stressed the importance of supporting new and existing businesses so they can have success in the community and continue to grow businesses in Shawnee County. She introduced Lonnie Williams, 2011 chair elect and small business owner of L&J Building Maintenance and asked all MWBD Council members present to stand for recognition.

Cyndi Hermocillo-Legg, Vice President of Entrepreneurial & Minority Business Development of GO Topeka provided a brief overview of the following information and thanked JEDO Board members for their guidance and financial support of the EMBD and MWBD Programs.

#### EMBD Program Outcomes for 2009-2010

##### Training/Education:

59 Workshops = 1,938 entrepreneurs/professionals serviced

Evaluations 4.0 or Higher (5 being the highest)

##### Number of Small Businesses Counseled:

536 Entrepreneurs

79% are from the priority population (Minority, Women, Low to Moderate Income)

182 of total were materially assisted

##### First Step FastTrac Programs:

450 Total graduates

157 Total graduates in operation today

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Entrepreneurial Track:

Renders a Feasibility Plan

The Child Care Track:

Renders a Business Plan

(26) KHDE Hours toward License

College Credit (ACCC, HCCC)

Parent Handbook and Contract

EMBD Programming Receiving National Exposure:

Community Development Financial Institution – US Treasure Endorsement of the Topeka Shawnee County First Opportunity Fund, L.L.C. (TSCFOF).

- Capital led strategies that specifically serve Low Income Target Markets
- Capitalized to date - \$404K
- Portfolio – 4 loans made to LITM entrepreneurs - \$28K

Institute for Competitive Workforce cited GO Topeka’s EMBD as a national model to follow.

- Diverse training/educational components to service entrepreneurs/professionals.
- Number of entrepreneurs served and evaluated.
- Microloan product – TSCFOF.
- FSFT Program

EMBD Programming Receiving National Exposure: Advanced Automation Robotics

GO Topeka’s EMBD & MWBD Council Benefits

- Targeted effort in California Corridor – Highland Park High School
- First of its kind in the nation
- Fall 2011 – 18 students enrolled and after pilot will have maximum enrollment of 24 in each section.
- Services all three (3) U.S.D. 501 High Schools
- Washburn Tech – Phase 2 will service the post-secondary option Summer 2012
- Sole Merit Certification Site for the State of Kansas by the end of 2012
- Support Existing Businesses – 36 in the state of Kansas that use this specific robot.

Councilmember Gray expressed his appreciation and thanked EMBD and MWBD representatives for the presentation. He stated the intent for the discussion was to remove the responsibility of selecting Advisory Council members from GO Topeka to the City Council and Shawnee County Commission, forcing elected officials to be held accountable for their selections. He asked how the members of the MWBD were selected and who specially selected the current members to serve on the Advisory Council.

Cyndi Hermocillo-Legg reported Advisory Council appointments are an annual endeavor by the current Council members. She reported the candidates must have a certain amount of small business knowledge, understand job creation and workforce development; vacancies are advertised to the public; current Council

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members canvas the community for viable candidates; and free social networking is utilized to advertise vacancies. She noted vacancies are advertised as a public volunteer position; however, the position requires extensive personal involvement and hard work.

Councilmember Gray stated it was his understanding the Advisory Council believes the City Council and the Shawnee County Commission do not have the ability to select candidates that would further economic development for the community.

Doug Kinsinger stated it was not the intent of the Advisory Council to make implications, and references made to social needs were based on past experiences. He reported all Advisory Council member selections are presented to the GO Topeka Board for approval and GO Topeka is held accountable by the JEDO Board for the results of MWBD. He noted the quality of people serving on the Council have only improved over the years as evidenced by the success of the programs.

Councilmember Gray stated he does not question program capabilities. He referenced the budget sent to him by Mr. Kinsinger and asked if the listing of 1.5 (Full-Time Employee) FTE assigned to the program is a standard accounting procedure when listing employment positions for Go Topeka programs.

Doug Kinsinger stated they try to be as precise as possible in regards to accounting measures for each program. He reported 1.5 FTE is what is needed for this particular program; however, all programs are different.

Councilmember Gray asked Mr. Kinsinger if he believes the City Council and the Shawnee County Commission have the capability to select Advisory Council members that would further economic development.

Doug Kinsinger stated he believes the Greater Topeka Chamber of Commerce and GO Topeka have very good community contacts, as well as, business community contacts that perhaps not every organization or person would have, a benefit JEDO receives by hiring GO Topeka.

Councilmember Gray asked for legal justification as to why GO Topeka does not have to follow the regulations of the Kansas Open Records Act or the Kansas Open Meetings Act.

Doug Kinsinger stated their attorney has researched the matter and determined GO Topeka is an independent contractor with JEDO; therefore, they are not required to follow the regulations.

Councilmember Gray requested a copy of the legal opinion.

Councilmember Manspeaker asked how many Advisory Council members are Greater Topeka Chamber of Commerce members; do any Advisory Council members serve on a civil rights boards; would the four (4) jobs mentioned relating to the robotics program be located in Topeka; does the Advisory Council conduct regularly scheduled meetings; and does the Advisory Council have by-laws in place.

Cindy Hermocillo-Legg stated the Advisory Council members must be a Shawnee County resident, a minority, women or low to moderate income business owner, and Chamber membership is not required. She also stated she would assume there are some Council members that are members of civil rights boards and noted the MWBD organization is a member of civil rights organizations as a testament of what the program represents. She reported the four (4) jobs mentioned would not be located in Topeka-Shawnee County; however, by training Shawnee County residents it provides a work force with specialty training that employers would utilize

all over the state of Kansas. She stated the Advisory Council has regularly scheduled monthly meetings, as well as, several different subcommittee meetings.

Doug Kinsinger stated the EMBD and MWBD both operate under GO Topeka By-Laws.

Councilmember Manspeaker requested a copy of GO Topeka's By-Laws. He expressed concern with using taxpayer money to train people that do not plan to stay in the community. He stated the community needs jobs right now and he believes it is their responsibility as elected officials to protect every citizen that pays sales tax. He stated he concurs with Councilmember Gray and believes that each City Councilmember and Shawnee County Commissioner should be allowed to appoint people to the Advisory Council.

Councilmember Gray moved to replace all current Advisory Council members with new members appointed by the City Council and Shawnee County Commission (one appointment per elected official) for a two-year term.

Mary Feighny, Assistant City Attorney stated the original agreement would have to be amended at this time or an amendment could be made at the end of the year when the agreement is renewed (December 31, 2011).

Councilmember Gray withdrew the motion to amend the contract at this time. He stated he would prefer to provide a better understanding to the community of the changes being requested and work to gather community support. He stated he would wait to amend the contract until the contract renews at the end of the year (December 31, 2011).

Councilmember Gray moved to defer action on the amendment until the next JEDO Board meeting. The motion died due to a lack of a second.

Councilmember Alcalá spoke in support of the Advisory Council and stated he was involved in the creation of the EMBD Program when the sales tax was implemented. He stated diversity runs deep with past and present Council members and he feels comfortable with the make-up of the Council and the current process of selecting Council members. He asked Ms. Hermocillo-Legg to report on the FastTrac Program.

Cindy Hermocillo-Legg reported the FastTrac Program is based on a Ewing Marion Kauffman pre-built curriculum. She stated they have expanded the training aspect of the program through educational workshops, technical one-one needs, as well as, the implementation of the robotics program.

Councilmember Alcalá spoke in opposition of changing the process at this time and stated he believes the process is fair because he has provided several candidate names to the Council for consideration. He stated the economy is tough right now for everyone and it is even more difficult to start a diverse company and create a large number of jobs. He stated in his opinion, the programs are in the developmental stages and he is confident the Council would continue to work hard to grow the programs and the community job base.

Councilmember Manspeaker questioned why \$229,000 of the money allocated to the Council in 2010 was not distributed during tough economic times.

Councilmember Alcalá stated the concept to apply for funds has changed. He reported the Council did not distribute the entire amount allocated to them in 2010 because they require all businesses to have a business plan in place and the potential to be successful, if these two requirements are not in place, the Council would be setting the applicant up for failure.

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Councilmember Everhart commended the Advisory Council for their involvement of implementing the robotics program and the grand opening event at the Highland Park High School. She stated she is hopeful jobs would be located in Topeka; however, the program is training young adults for a real job in the work force and that is what is important.

Councilmember Ortiz thanked the Council for thinking outside the box in promoting minority businesses. She commended the owner of Chavez Cleaning Service a minority business that overcame the challenges of starting and building a minority business in the community.

Commissioner Buhler commended the Advisory Council for their hard work and the successes generated. She stated she appreciates the focus group discussions that were offered to small communities and their business owners. She noted the community is fortunate there are two entities that focus on bringing large companies to the community and assisting with small business needs.

Councilmember Manspeaker expressed concern with the public transit requirement not being included in writing, in the Mars Company agreement. He asked how people located inside city limits, with no vehicle and no money to pay increasing bus fares are expected to be able to get to the Mars Company Plant for a job.

Doug Kinsinger reported the intent of the Mars Company was to be included on a public transit route; however, the final agreement would be negotiated between the Topeka Transit Authority and the Mars Company.

Councilmember Gray stated he continues to disagree with how members are appointed to the Advisory Council; however, he believes the discussion was beneficial and provided an opportunity for the citizens of Topeka to become more aware of the appointment process.

No further business appearing the meeting was adjourned at 7:11 p.m.