

**Joint Economic Development Organization Board Minutes
May 22, 2013**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, May 22, 2013.

The Joint Economic Development Organization (JEDO) Board members met at 6:00 p.m. with the following Board members present: City of Topeka Mayor Larry Wolgast, Deputy Mayor Sylvia Ortiz and Councilmembers Michelle De La Isla and Chad Manspeaker; and Shawnee County Commissioners Shelly Buhler, Kevin Cook and Bob Archer -7.

Also present were nonvoting JEDO Board members: Councilmembers Karen Hiller and John Campos II. Absent: Councilmembers Denise Everhart, Elaine Schwartz and Richard Harmon.

Mayor Wolgast called the meeting to order.

SELECTION of JEDO Board presiding officer for 2013 was presented.

Mayor Wolgast stated the procedure to select a JEDO Board presiding officer is outlined in the JEDO Operational Rules and established in the City of Topeka-Shawnee County Interlocal Agreement. He noted the selection of a presiding officer is the first order of business at the annual organizational meeting.

Mayor Wolgast opened the floor for nominations.

Deputy Mayor Ortiz moved to nominate Mayor Larry Wolgast to serve as the JEDO Board presiding officer for 2013. The motion seconded by Commissioner Buhler carried unanimously. (7-0-0)

APPROVAL of Minutes of the December 13, 2012, JEDO Board meeting.

Commissioner Cook stated he attended the December 13, 2012, JEDO Board meeting; however, he was not a JEDO Board member at that time. He asked if he should abstain from voting on the minutes.

Mary Feighny, Assistant City Attorney, advised that it would be appropriate for Commissioner Cook to vote on the minutes even though he was not a member of the JEDO Board on December 13, 2012.

Deputy Mayor Ortiz moved to approve the minutes of the JEDO Board meeting of December 13, 2012. The motion was seconded by Commissioner Archer.

Mayor Wolgast asked if there was anyone present who would like to speak to the matter. No one appeared.

The motion to approve the minutes of the JEDO Board meeting of December 13, 2012, carried unanimously (7-0-0)

ADOPTION of the JEDO Operational Rules was presented.

Mayor Wolgast reported many discussions have transpired due to the current JEDO Operational Rules being incomplete and requiring different interpretations at different times to handle the business of the JEDO Board; therefore, new JEDO Operational Rules have been developed to clarify parliamentary operations.

Mayor Wolgast stated the City-County Interlocal Agreement addresses alternates for meetings (City of Topeka Contract No. 34790 and Shawnee-County Contract No. C-334-2004) by stating, "If the Deputy Mayor or other voting City Council member of the board cannot be present at a meeting, an alternate may be appointed to serve at that meeting, with full voting rights." He reported members felt this statement was too broad; therefore, the following language will be included in the new JEDO Operational Rules:

Line 5: "*Alternates:* If the deputy mayor or other voting City Council member cannot be present at a meeting, an alternate may be selected by the absent member, with full voting rights. The absent member shall notify the JEDO Chairperson, in writing, of the identity of the alternate before the meeting."

Mayor Wolgast reported that City of Topeka Resolution No. 7623 appoints the Mayor as the Chairperson of JEDO in odd-numbered years which will remain in effect until the City Council changes the policy. He stated in an effort to clarify the process the following language will be included in the new JEDO Operational Rules:

Line 15: "The JEDO Chairperson shall preside at all Board meetings. The City and the County shall rotate the position of JEDO Chairperson with the Mayor serving in odd-numbered years pursuant to Resolution No. 7623 and the Chairperson of the County Commission serving in even-numbered years commencing on January 1 of the respective year. If a vacancy is created, the respective governing body shall elect another chairperson from among its voting members."

Councilmember Hiller noted if the Chairperson for the County or the City did not want to serve as the JEDO Board Chair the new Operation Rules would not allow a governing body to elect an alternate. She suggested they include an option for an alternative if needed.

Commissioner Archer questioned the need for the amendment and asked if the election of a new Chair could be dealt with through the regular agenda process.

Councilmember Hiller stated she believes the current language of the new Operational Rules would not allow for a new Chair to be elected through the regular agenda process.

Commissioner Cook stated he believes the issue could be handled by adding the item to the agenda through the temporary suspension of the Operational Rules as outlined on page 4, line 103 of the new Operational Rules.

Mayor Wolgast highlighted the following changes on page 2, of the new JEDO Operational Rules:

Line 35 - Notice; Agendas: Agendas shall be furnished to members at least five business days prior to the each meeting.

Line 46 - Time limits: Members of the public shall be limited to four minutes.

Line 30 – Number: The JEDO Board shall meet at least quarterly during each calendar year. The first meeting of each year shall be held in January.

Councilmember Hiller stated she understands the desire to conduct quarterly meetings, as well as, annual meetings in January; however, if there is no reason to meet, it should not be forced. She suggested holding January meetings every other year, to better accommodate City and County election demands and schedules. She expressed concern with the language of lines 36 and 37 in regards to posting documents online and noted how difficult it has been in the past to locate JEDO documents. She suggested the following sentence beginning on line 35 be amended to state the following:

“Agendas shall be furnished to members at least five business days prior to each meeting and posted on the City and County websites, always.”

Mayor Wolgast stated he believes the concern expressed by Councilmember Hiller relating to the posting of JEDO documents online is addressed in City of Topeka Resolution No. 8354, which directs the City to post all JEDO documents online.

Councilmember Hiller referenced the statement, “No questions shall be asked of the Chairperson or JEDO members.” on line 51 of the new Operational Rules. She stated she understands past experiences and why this language may have been drafted; however, often times questions are asked that could be routed through the Chair. She also stated she believes the language relating to conduct as outlined in lines 52 through 55 is not necessary because the Chair has the authority to manage these types of situations at meetings.

Commissioner Cook stated that in his opinion and because they serve as an oversight committee of taxpayer money, it would seem reasonable to consider scheduling monthly meetings due to the economic development impact JEDO has on the community. He noted if there is no new business, monthly meetings could be cancelled.

Mayor Wolgast stated he supports quarterly meetings. He reminded the Board there may be times, due to the nature of incentive agreements, additional meetings would have to be scheduled outside of the quarterly meeting schedule.

Commissioner Archer stated that he understands each point of view expressed; however, there is always the option to schedule additional meetings when necessary.

Councilmember Hiller referenced line 71, which states, "Only one motion to amend may be considered on an item." She questioned the language and noted that it seemed arbitrary to limit the Board to one amendment per item due to the nature of the JEDO Board and the discussions that take place.

Mary Feighny, Assistant City Attorney, stated the purpose of the language was to make the procedure of amending an item less confusing.

Mayor Wolgast stated it was his understanding the language was drafted with the intent to prevent members from making amendments to an amendment.

Mary Feighny concurred with Mayor Wolgast.

Councilmember Hiller stated that she disagrees with Mayor Wolgast and believes the language only allows the Board to amend an item one time.

Councilmember Manspeaker stated he concurs with Councilmember Hiller and noted the language is clear and only allows one amendment to an item at a time.

Mayor Wolgast asked Mary Feighny to draft revised language to address the Councilmembers concerns.

Councilmember Hiller referenced line 82 of the new Operational Rules and questioned why there was no reference made to using "Roberts Rules of Order" or any other set of standard default rules to run the meetings. She noted there are many issues that may come up in meetings that are not addressed in the new Operational Rules.

Mayor Wolgast stated it was his understanding when an organization adopts a completed set of rules such as these, then the Operational Rules are used instead of Roberts Rules of Order. He noted the Chair provides the rulings and the Board has the ability to override the ruling of the Chair by simple majority vote.

Mayor Wolgast referenced page 4 of the new Operational Rules and highlighted the following points:

- The City and County shall rotate the administrative duties of the JEDO Board every other year.
- As required by the interlocal agreement, in December of each year, the JEDO Board shall establish the economic priorities for the coming year.
- The Operational Rules may be temporarily suspended by a vote of at least 5 members.
- The Operational Rules may be amended or new rules adopted by a vote of at least 4 members.

Councilmember Manspeaker asked if it would be appropriate to insert “Roberts Rules of Order” as a general point of reference in the new Operational Rules to address certain procedural situations that are not covered in the new Operational Rules.

Mary Feighny stated “Roberts Rules of Order” is generally used to guide large legislative bodies and is sometimes difficult to apply to small governing bodies. She noted the new Operational Rules were an attempt to set simple rules, allowing the chair to be the arbiter of procedure.

Commission Cook stated in the current JEDO Operational Rules there is a specific section that addresses “Roberts Rules of Order.” He stated the current rules have governed the JEDO Board since the beginning with no serious issues to date so he is not sure why it is an issue now.

Mary Feighny suggested the following language amendment to line 71 of the new Operational Rules:

Delete the sentence, “Only one motion to amend may be considered on an item.” and insert the sentence, “An item may be amended.”

Councilmember Hiller agreed with the amended language as proposed by Mary Feighny.

Commissioner Buhler moved to amend line 71 of the new Operational Rules by deleting the sentence, “Only one motion to amend may be considered on an item.” and inserting the sentence, “An item may be amended.” The motion seconded by Councilmember De La Isla carried unanimously. (7-0-0)

Mayor Wolgast asked if there was anyone present who would like to speak to the amendment. No one appeared.

Commissioner Buhler moved to adopt the new JEDO Operational Rules as amended, effective immediately. The motion was seconded by Commissioner Archer

Commissioner Buhler stated she believes the new Operational Rules provide a tool for GO Topeka to better educate the public, as well as, provides an opportunity for GO Topeka to update the JEDO Board on a quarterly basis.

Councilmember Manspeaker moved to amend the new Operational Rules beginning on line 59 by deleting the sentence, “The purpose of the rules of order is to promote the orderly presentation of matters is that each voting member understands what is being presented and voted upon.” and insert the language from current JEDO Operational Rule 2.3, “Roberts Rules of Order Revised” shall govern the proceedings of JEDO in all cases, unless they are in conflict with these rules.” The motion was seconded by Councilmember Ortiz.

Joseph Ledbetter spoke in support of Councilmember Manspeaker’s language amendment to line 59 of the new Operational Rules and believes “Roberts Rules of Order” should regulate JEDO Board meetings to cover the procedural items that are not addressed in the new Operational Rules.

Commissioner Archer asked if Legal Counsel anticipated that there would be any significant issues with the proposed language amendments if accepted.

Mary Feighny stated she did not believe there would any significant issues with the language amendment.

The motion to amend the new Operational Rules beginning on line 59 by deleting the sentence, “The purpose of the rules of order is to promote the orderly presentation of matters is that each voting member understands what is being presented and voted upon.” and insert the language from current JEDO Operational Rule 2.3, “Roberts Rules of Order Revised” shall govern the proceedings of JEDO in all cases, unless they are in conflict with these rules.” carried unanimously. (7-0-0)

Joseph Ledbetter spoke in support of the new Operational Rules. He stated the new Operational Rules address the many concerns he has raised in the past, including a working document that would educate the public and elected officials; encourage free speech through public comment; and regulate the meetings according to the Kansas Open Meetings Act. He suggested the Board consider the following amendments to the new Operational Rules:

- Change the agenda notice provision from five business days to at least 15 to 30 days.
- Public comment should be allowed on all items, not just actionable and should not be limited to four minutes. The public should have the opportunity to ask questions or make comments when presentations are made by GO Topeka or any other company.
- Quarterly meetings should run in conjunction with quarterly finance reports.
- For clarification, change at least five “business” days to five “work” days when furnishing the agenda.

Councilmember Manspeaker moved to amend line 36 of the new Operational Rules by inserting the words “and County websites.” after the word “City” and deleting the remaining language on lines 36 and 37, “in odd-numbered years and the County website in even-numbered years.” The motion seconded by Commissioner Buhler carried unanimously. (7-0-0)

The motion to approve the new JEDO Operational Rules as amended, effective immediately carried unanimously. (7-0-0)

Mayor Wolgast announced moving forward, public comment would be allowed on each actionable item with a four minute time limit; and voting Board members would be required to announce their vote by roll call vote.

A PRESENTATION on the GO Topeka Economic Partnership 2012 Financial Statement Audit, was presented.

Morgan Padgett, Mayer Hoffman McCann, reported they are required to provide the JEDO Board with a clean unmodified opinion on the Growth Organization of Topeka/Shawnee County, Inc., financial statements. She stated there were no misstatements found and the documents were in accordance with accounting principles.

Ms. Padgett discussed the following highlights of the Statements of Financial Position dated December 31, 2012, outlining assets, liabilities and net assets.

- Total liabilities and net assets are \$22,009,023, with the majority of it consisting of cash and investments.
- Pledges receivable was a result of a fund raising campaign by GO Topeka for private dollars with all amounts pledged to be paid over the next five years were recorded as receivable revenue in 2012.
- The restricted funds in the amount of \$3.8 million, is the escrow account for the Mars Chocolate North America Plant to date.
- Total current liabilities in the amount of \$9.4 million, is mostly comprised of deferred JEDO Grant revenue which is the money JEDO gives GO Topeka that has not been spent and is reflected in annual carry-over agreements approved by the JEDO Board.
- Other liabilities include improvement and training incentives, these have not been paid yet; however, they have been earned and are mostly related to the Mars Chocolate North America Plant. It is anticipated the long-term piece of improvements and training incentives will be drawn out in 2013 for the Mars Chocolate North America Plant.
- Total net assets are \$12 million with most of this amount being unrestricted (\$9 million) there is a portion of this amount of private dollars (\$2.9 million) that will be used in future years and is restricted.

Ms. Padgett reported on the Statement of Activities dated December 31, 2012, reflects the total revenue and expenses for the year.

- The total support and revenue for 2012 was approximately \$7 million, with the majority of the amount consisting of revenue from the JEDO Grant.
- The total private contributions and pledges is approximately \$3.3 million.

- The total expenses were \$3,194,441 which included program expenses in the amount of \$2,737,544 and general and administrative expenses and fundraising dollars in the amount of \$456,897.

Ms. Padgett reported on the Statements of Cash Flows dated December 31, 2012, including:

- Cash flows from activities in the amount of \$270,992. There was \$6.2 million received in contributions, grants and other support; \$2.3 million for personnel, vendors and supplies; and \$3.7 million for incentive payments.
- Cash flows from investing activities resulted in \$1.7 million for the year.

Ms. Padgett commented on the following accounting policies and footnotes:

- She reported the only new accounting policy that was added to the footnotes of the financial statements relates to Pledges Receivable which explains how they are recorded and valued.
- She commented on the investments and fair value policy which describes where the investments are held, mostly in U.S. Government Money Market Funds and Certificate of Deposits.
- Footnote No. 5 outlines the details of Pledges Receivable.
- Footnote No. 7 outlines the details of Restricted Funds.
- Footnote No. 9 outlines the details of the Related Party Transactions.
- Footnote No. 10 explains the purpose of the JEDO Grant agreement between the Board of Shawnee County Commissioners and the City of Topeka.
- Footnote No. 11 outlines Concentrations and Major Customers and noted 52% of the Organization's total revenue was received from JEDO grant funds.
- Footnote No. 13 explains Incentives and includes outstanding and earned incentive.

In conclusion, Ms. Padgett discussed the letter of findings from the audit. She reported there were no significant findings, they encountered no significant difficulties in dealing with management in performing or completing the audit; all minor misstatements have been corrected; no disagreements arose between management and the audit team; and to their knowledge no other consulting took place with other independent accountants during the audit.

Councilmember Manspeaker asked what is included in the \$9 million of unrestricted assets; where in the report the value of land defined is; what is the cash balance; and are there any outstanding incentives.

Morgan Padgett reported the \$9 million in unrestricted assets includes everything except the Pledges Receivable; value of the land would be included in the "Land held for economic development" listed under Other Assets in the amount of \$7,998,519; the cash balance is approximately \$2.9 million; and there is a list of various companies that have outstanding incentives; however, she does not have a copy of the list at this time.

Councilmember Manspeaker requested a list of outstanding incentives for his clarification. He referenced the recent agreement with Alorica, Inc., and the incentives that have not yet been realized with the company.

Commissioner Buhler moved to approve the 2012 financial audit findings as presented. The motion was seconded by Councilmember Ortiz.

Joseph Ledbetter expressed concern with the continued transfer of public funds to the Greater Topeka Chamber of Commerce (page 10, footnote 9). He noted he has not been able to locate language within the contract or the budget that allows the transfer of these funds.

Carol Marple asked how many acres of land are included in the transaction; and what is the value of the land.

Commissioner Cook referenced GO Topeka's 2013 First Quarter Financial Statements. He reported the statement reflects the outstanding incentive offers and site expenditures detailed through 2018.

Following roll call vote, Mayor Wolgast announced the motion to approve the 2012 financial audit findings carried unanimously. (7-0-0)

APPROVAL of contract for sale of land in Central Crossing Commerce Park to Questar, Inc., was presented.

Doug Kinsinger, President and CEO of GO Topeka/Greater Topeka Chamber of Commerce requested approval of a parcel of land located at 5625 SW Wenger Street. He reported the parcel is a narrow site at the entry of Central Crossing Commerce Park which includes a creek and some drainage ways that leave only a small portion as usable land. He stated the site would be used as a Compressed Natural Gas (CNG) card lock facility.

Jeff Wietharn, GO Topeka Legal Counsel, reported the intent of the agreement is for GO Topeka to sell the property while retaining 150 feet of the easement located near the entrance of Central Commerce Park to create a buffer so they can maintain the appearance and control of the entrance. He stated the site is comprised of 24 acres with 9.45 acres deemed developable; the appraised value of the property as of April 15, 2013, is \$153,500 from Taggart & Associates; the purchase price of the site is \$275,000 with a 3% commission fee to be paid to a commercial broker (deducted from the sale price). He noted Questar, Inc., has been working diligently to use the property in the best way possible; however, if the sale of property fails and it could not be used as intended the land will revert back to GO Topeka. He requested approval of the proposed purchase contract.

Mayor Wolgast asked if the proposed property use would require any zoning changes; and if the agreement included a provision requiring Questar, Inc., to maintain the area to a certain level of standards.

Jeff Wietharn stated it would not require any zoning changes at this time and the parcel currently meets zoning regulations; however, a re-plat is in the process of being conducted on the parcel. He also stated there is no specific provision that would require Questar, Inc., to maintain the parcel to a certain standard; however, there are proposed covenants and restrictions for Central Commerce Park that will be binding in the near future.

Commissioner Archer asked if the proposed use and purchase of the property has been discussed with neighboring companies including Target Distribution Center, Home Depot Distribution Center, Frito Lay, Inc., and Bimbo Bakery.

Doug Kinsinger stated all companies except one have been contacted and no concerns have been expressed by the companies.

Mayor Wolgast stated that Frito Lay has expressed their support of the proposal.

Councilmember Hiller asked if the trees would remain intact to help prevent flooding.

Jeff Wietharn stated he does not have the details of how Questar, Inc., plans to prepare the lot.

Doug Kinsinger noted the bulk of the trees are located in a stream buffer area; therefore, tree removal would be prohibited.

Councilmember Manspeaker asked if there were any environmental concerns regarding the runoff of the facility.

Jeff Wietharn noted that there are certain requirements that will have to be met due to the stream buffer.

Doug Kinsinger reported that Questar, Inc., will have to meet all environmental requirements for permitting purposes.

Commissioner Buhler stated it was her understanding they would be required to pay motor fuel tax.

Doug Kinsinger stated the company would be required to pay motor fuel tax, and the proposed use of the property would generate a higher tax base than what it is currently rated for agriculture uses. He noted fuel spillage would not occur with compressed gas as it evaporates when released.

Jeff Wietharn stated the details of the contract would be worked out upon approval of the transaction.

Deputy Mayor Ortiz moved to approve the transaction. The motion was seconded by Commissioner Buhler.

Joseph Ledbetter stated he agrees with the concept of the transaction. He commended GO Topeka for having the parcel appraised. He questioned if appraisal of properties was a new policy requirement by GO Topeka, and if not, he would encourage JEDO to make it a requirement.

Carol Marple questioned why a commercial broker fee is being paid if Questar, Inc., approached GO Topeka; and if Questar, Inc., would ask for incentives from GO Topeka.

Mayor Wolgast reported there would be no incentives involved with the transaction at this time.

Doug Kinsinger reported the GO Topeka Board has suggested having appraisals done if appropriate; however, they have not set a policy requiring appraisals on each sale or transaction. He noted there will be times when a large site is being assembled and there may be a parcel or two that will not be sold at the appraised value.

Following roll call vote, the motion to approve the transaction carried unanimously. (7-0-0)

APPROVAL of cost for final infrastructure development in Phase 1 of Kanza Fire Commerce Park, was presented.

Doug Kinsinger, President and CEO of GO Topeka/Greater Topeka Chamber of Commerce stated GO Topeka remains committed to making sure infrastructure is in place for new businesses. He expressed his appreciation to the Kansas Department of Transportation for constructing a new road near Commerce Park. He reported at this time the infrastructure ends on the north side of the Mars Chocolate North America Plant and the new infrastructure would run along three lots totaling 250 acres located southwest of the Mars Chocolate North America Plant. He stated the JEDO Board approved in the 2013 budget an expenditure of \$1.4 million to extend water and gas main construction in Phase 1 of Kanza Fire Commerce Park. He noted they anticipated the sewer would be extended in 2014 and have since realized they would receive more competitive bids if the water, sewer and gas are extended at the same time. He stated the new sewer main would provide excellent service to the entire region while helping to extend City infrastructure to the area. He reported to achieve cost savings, GO Topeka is requesting JEDO approval of the additional funds from the carry-over balance of GO Topeka economic development sales tax funds along with the revenues just approved from the sale of land to Questar, Inc., in Central Crossing Commerce Park to help pay for the utilities extension.

Angela Sharp, Bartlett & West Engineers, stated a cost savings would be realized for the overall crew time which includes full-time construction observation of the project as required by the Kansas Department of Health and Environment (KDHE). She stated they would be able to provide more “real” bid numbers if water, gas and sewer projects are bid simultaneously. She reported a pre-bid meeting was conducted and they received seven bids for the water and sewer projects; and three bids for the gas project, all favorable bids. She stated they look forward to receiving actual bid numbers and June 6, 2013, the bids will open to the public and contractors will be informed the entire project will be constructed at the same time in 2013.

The following cost summary of the project was provided:

| | |
|--|--------------------|
| Total project cost for gas, sewer and water: | \$3,149,600 |
| 2013 Total Approved Budget: | \$1,400,184 |
| 2013 Engineering Design Costs Paid: | \$ 119,000 |
| 2013 Budget Balances Remaining: | \$1,281,184 |
| 2013 Current Cost Estimates: (water and gas main construction) | <u>\$1,243,500</u> |
| Balance Remaining in 2013 | \$ 37,684 |
| Current Remaining Cost Estimates: (sewer main construction) | <u>\$1,787,100</u> |
| Remaining Budget Required: | \$1,749,416 |
| Revenue from sale of land minus commission | <u>\$ 266,750</u> |
| Remaining Budget Required (including the sale of land): | \$1,482,666 |

Mayor Wolgast asked why the decision was made to implement the project over a two-year period.

Angela Sharp stated the two-year time period was established because initially there was not enough cash flow in 2013 to pay for the entire project.

Commissioner Buhler moved to approve the request in the amount of \$1,482,666. The motion was seconded by Commissioner Archer.

Carol Marple questioned how the \$266,750 for the sale of land could be included in the approved request for funds when the transaction has not been completed. She also suggested if there is a cash flow issue to implement the water and sewer project at the same time and wait until 2014 to implement the gas project. She noted the KDOT road project referenced by Mr. Kinsinger is not yet complete.

Councilmember Manspeaker asked what the contingency would be if the sale of the land fails. He noted there would not be a sufficient amount of carry-over funds to cover the cost of the sale of land.

Doug Kinsinger reported there would be enough carry-over funds to cover the sale amount; however, the JEDO Board would have to approve the additional funding. He stated he believes Ms. Marple makes a valid point and suggested the JEDO Board approve \$1,749,416 to cover the short fall if necessary and if the sale is executed then they would be directed to use the sale amount of \$266,750 towards the project.

Commissioner Buhler moved to amend the motion to approve the request in the amount of \$1,749,416. The motion was seconded by Commissioner Archer.

Joseph Ledbetter questioned if a restriction should be placed on the funds from the sale of land in the amount of \$266,750 to be used only for this project.

Carol Marple stated it would appear from the 2012 figures presented that all funds are tied up through incentives and other expenses. She questioned where the \$1.7 million would be allocated from.

Doug Kinsinger reported they would still have investment funds available along with an additional \$5 million of sales tax funds this year. He noted they have thoroughly reviewed their finances and are comfortable with the investment.

Commissioner Buhler requested a friendly amendment to include the stipulation that if the sale of the land is executed then that amount (\$266,750) must be subtracted from the total approved amount. The second concurred.

Following roll call vote, the motion to approve the transaction in the amount \$1,749,416, with the stipulation that if the sale of the land is executed then that amount (\$266,750) is to be subtracted from the total approved amount (\$1,749,416) carried. Councilmember Manspeaker voted "no." (6-1-0)

OVERVIEW of the current GO Topeka portfolio of active Business Retention and Attraction projects and Entrepreneurial Minority and Small Business Development, was presented.

Doug Kinsinger, President and CEO of GO Topeka/Greater Topeka Chamber of Commerce reported the following:

New Business and Existing Business Expansion as of April 30, 2013

50% Manufacturing
19% Customer Service Centers
8% Business Headquarters
8% Manufacturing/Distribution/Warehouse
6% Back Office/Financial
6% Other
3% Distribution

- 7,336 Potential Jobs
- \$470,250,000 New Investment Potential
- 36 Active Projects in Process (24 new business and 12 existing business)

Project Alder

JW Manufacturing – Purchased the Boaters World Facility with the retention of 21 jobs, \$3.7 million in Capital Investment and the State of Kansas assisted with incentives.

Project Ash

Alorica, Inc. – Executed a 10-year contract with JEDO in 2008 to receive \$88,850 per year based on certain performance measures including the retention of at least 500 jobs which has been accomplished with the exception of the last couple of years; however, they have executed a new contract with Century Link with the anticipated job growth of 180 new jobs and the retention of 170 jobs.

Project Game

CEC Entertainment – Chuck E. Cheese Entertainment would maintain their headquarters in Topeka with the possible retention of 30 jobs and the creation of 5 new jobs with an annual wage base of \$50,000 with a Capital Investment of \$1 million.

GO Topeka Entrepreneurial Minority Small Business Development

Current Activities and Results:

- The Entrepreneurial and Minority Business Development Program celebrated an EMBD Graduation on March 27, 2013, where 31 graduates were given their entrepreneurial course certificate. Of those 31 graduates, 18 have started or retained their business creating 34.5 jobs, and the remaining intend to apply the knowledge gained to build a firm foundation for their business in Shawnee County.
- In the first quarter of entrepreneurs/small businesses that were counseled 57% were minority-owned; 67% were women-owned and 68% LITM.
- New venture business Plan Course started on May 15, 2013, and offered a 30-hour entrepreneurial course.
- The 33rd Annual Small Business/Non Profit Awards was held on May 15, 2013.

Councilmember Manspeaker questioned the clawback provision in the agreement with the Home Depot Distribution Center regarding funds being returned to Shawnee County and not JEDO.

Doug Kinsinger reported that Home Depot is regulated by two separate agreements. He stated there is an agreement on behalf of JEDO that is related to the jobs and JEDO received \$2,573 last year due to Home Depot being short four jobs. He noted that following an independent audit on the facility, Home Depot voluntarily provided documentation and it was determined Home Depot was short 129 jobs this year, resulting in a payment of \$54,776.50 to JEDO to be deposited in the sales tax fund or cash reserve fund. He continued to explain, that the second agreement is with Shawnee County and relates to tax abatement. He stated there are provisions in the agreement requiring Home Depot to meet certain performance measures which they did not, and that is why Home Depot was required to pay Shawnee County.

Councilmember Hiller asked if the new expansion of Alorica, Inc., would make them compliant with their original agreement in regards to job retention. She also asked Mr. Kinsinger to further explain the purpose of a site director.

Doug Kinsinger stated Alorica, Inc., is only paid their incentives when they reach the threshold of jobs required which is 500, and if they do not then they are only paid 1/10 of the incentive amount for each job. Currently, they maintain 170 jobs and with the additional new jobs they should be able to maintain well over 450 jobs and noted GO Topeka would conduct the usual performance review and audit to make sure they are in compliance. He reported they helped the company's site team find the right real estate to make certain they will have adequate labor force to fill the jobs. He stated GO Topeka would assist them in gaining more publicity through upcoming media announcements. He clarified Home Depot was short jobs because over time the job threshold requirement increased, it was not because they lost 100 jobs it was due to technology and they anticipate they will remain near the 200 job threshold.

PUBLIC COMMENT:

Lazone Grays appeared to speak under public comment. He distributed handouts concerning disparity in unemployment, poverty and welfare for the Topeka-Shawnee County area and noted the numbers are high and the community needs to work towards generating more transitional jobs which are more promising to the community as a whole. He expressed concern with only being allowed to speak four minutes under public comment. He stated he believes the Board is attempting to stifle citizens as this would only allow them 16 minutes a year if there were four quarterly meetings conducted. He expressed concern with consumers not getting the time they deserve in comparison to what citizens contribute to the community.

Councilmember Manspeaker encouraged the body to be more aggressive in the issues outlined by Mr. Gray as presented. He stated he believes there are better ways they could be training society and the community as a whole.

Joseph Ledbetter stated he believes Mr. Gray raised an interesting point in regards to public comment. He questioned why only GO Topeka is allowed to make presentations at JEDO Board meetings and suggested allowing citizens to present their ideas to the Board. He commented on the increased unemployment rate over the past 10 years; expressed the importance of generating new ideas for economic development possibly by allowing other companies or individuals to bid on the services provided by GO Topeka or give the \$5 million allocated to GO Topeka directly to the City or the County to provide the service which would then be subject to the regulations of the Kansas Open Records Act. He stated he believes an appraisal needs to be done on every parcel of land bought by GO Topeka with JEDO funds.

NO FUTHER BUSINESS APPEARING the meeting was adjourned at 7:42 p.m.