

**Joint Economic Development Organization Board Minutes
April 2, 2014**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, April 2, 2014.

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

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

Others present who presented and/or spoke before the Board: Rich Eckert, Shawnee County Counselor; Doug Kinsinger, President/CEO of GO Topeka Partnership/Greater Topeka Chamber of Commerce; Joseph Ledbetter, Attorney at Law; Carol Marples; Lazone Grays, President & CEO, IBSA, Inc.; Allan Towle, GO Topeka Board Chair/President, Fidelity State Bank; Maynard Oliverius, former GO Topeka Board Chair/former CEO, Stormont Vail Healthcare; Wendy Wells, GO Topeka Board Treasurer/Market President, U.S. Bank; Neil Fisher, GO Topeka Board Member/Vice-President, KBS Constructors, Inc.; Jeff Wietharn, Legal Counsel for GO Topeka.

ITEM NO. 3: ACTION ITEM: Approval of the February 12, 2014 JEDO Board meeting minutes.

Deputy Mayor Ortiz moved to approve the February 12, 2014 JEDO Board meeting minutes. Commissioner Archer seconded.

Public Comment:

Joseph Ledbetter, Attorney at Law stated that in his public comments at the end, one word he said was comparitability studies, it is data. He is just changing a word. And also he referred to a conversation that he had with a Board member of GO Topeka and actually the answer was nonresponsive, it wasn't "I don't care" so he just wanted to change that for the record. He caught it after he read it.

Commissioner Cook asked if there was a motion to amend the minutes as indicated.

Deputy Mayor Ortiz moved to amend to minutes as indicated by Mr. Ledbetter. Councilmember Manspeaker seconded. Following roll call vote, motion carried 6-0-1 with Councilmember De La Isla abstaining indicating she was not present at the February 12, 2014 meeting.

Following roll call vote, motion to approve the February 12, 2014 JEDO Board meeting minutes as amended carried unanimously.

ITEM NO. 4: POSSIBLE ACTION ITEM: Discussion of Response to Request for Proposal for Economic Development Services, Consider Contractor Selection and Consider Approval of 2015-2017 Contract for Economic Development Services.

Commissioner Cook stated that at this time prior to the discussion of the Request for Proposal, they had an opportunity last week to open the MARS Chocolate plant and at the beginning of that there was a video that was played and he thinks that video is really reflective of what has transpired over the last couple of years and at this time we would like to take a moment and start by playing that video.

VIDEO PRESENTATION on Mars Chocolate North America was presented.

Councilman Campos entered the room at 6:05 p.m.

Commissioner Cook indicated again they had the opportunity at the grand opening of the MARS plant to watch that video as well as those of them who were invited to the gala that evening had a chance to see the video. But it was something that he wanted to take an opportunity to share with not just JEDO members but also with all of Topeka and Shawnee County. This success is not just the success of this Board but it is a success of this community. And this shouldn't be the last thing that we see but it should be the thing that we think about for the next project or the next program. And with that in mind, the JEDO Board initiated a Request for Proposal at the last meeting and if Mr. Rich Eckert, Shawnee County Counselor could detail what that process entailed and where the Request for Proposals went, who we sent it to.

Rich Eckert, Shawnee County Counselor stated as they all know, JEDO released an RFP, his office drafted it and it was approved by JEDO. We sent that list out to as many people and places as we could. It was published in the Topeka Metro News, it was placed on the City of Topeka and Shawnee County websites, it was uploaded to a national website specifically for government bids, it was emailed to a variety of contacts in the economic development services industry in Kansas, we specifically hit the Kansas City community, it was emailed to contacts at the International Economic Development Council. We tried to publish it as far as we could. With that being said, at the end of the day, we had one bid received and that was from GO Topeka.

Commissioner Cook asked if there were any questions from the Board members before they get into the discussion of that one bid. Seeing none, he would ask at this time if they could have a presentation on that bid proposal from GO Topeka regarding their bid.

Doug Kinsinger, President/CEO of GO Topeka Partnership/Greater Topeka Chamber of Commerce stated he promised they would keep this brief so he will, instead of going through the 322 page proposal. They promised they would take this serious and they did make a concerted effort at this and they tried to answer in detail every question. He will refer only to the last seven "R's", instead of the three "R's", he will refer to the last seven "R's" as to their summary as to why they feel that they are competitive and prepared to meet JEDO's needs for economic development. Those include:

1. Resources – they believe they have both the economic development and financial resources, including \$2.4 million in private funds that will bring to augment this contract over the next three years from the private sector.
2. Relationships – both at the local, state-wide and also regional, national and global level. Not only in the business community but also governmental. We have references at the local, state-wide and national level
3. Responsiveness – we think we respond extremely quickly and accurately and professionally to our clients and our leader's requests for information.
4. Research – we think we have demonstrated our expertise in both local, state-wide and national data sets and sources.
5. Regulatory – we think our knowledge of the agencies and their ability to work and resolve issues that may arise with local businesses.

6. Results – we think we have shown tried, true and proven results over the time period that we have administered the JEDO program.
7. Refine – we think that we will continue to develop programs and initiatives based on JEDO’s input and guidance and the market demand.

That is kind of a quick summary instead of going through the entire 322 pages, but we felt that we tried to address each one of the scope of services specifically and he will stand to answer any questions.

Commissioner Cook asks if there are any questions for GO Topeka regarding their bid proposal.

Mayor Wolgast indicated he thinks this was very well put together. The scope, he would speak to that, the first part where they gave the overview was an excellent presentation of what GO Topeka does. It provided a better understanding to him than he had of what GO Topeka does and all the parts of it.

Mr. Kinsinger stated if he may, it definitely was a team effort and he wants to say thank you to the GO Topeka staff members. We worked pretty long and hard at this for about that 45 day time period to make sure that they are meeting JEDO’s timeframe and getting the information that was needed. And he thinks the appendices also include lots of references to show examples of what they were referring to.

Commissioner Cook asked if there were any other questions or comments for GO Topeka. Seeing none he asked Mr. Eckert as legal counsel this evening, would it be the recommendation to first make a motion to accept the RFP and then go into contract negotiations regarding the term with the recipient or do that all as one action.

Mr. Eckert indicated that would be up to the Board, but from a parliamentary standpoint they should probably just do one thing at a time. What the Board has been provided is a redlined version of a new contract. All the changes have been redlined so they can see the differences from the existing contract. He would recommend doing two motions – one would be to accept the redline changes and then the second would be to accept the contract. And of course if anybody has anything else they would like to add or delete that would be a separate motion to deal with.

Commissioner Cook asked if all JEDO Board members had received the redlined proposed contract and reviewed those changes. He then asked if there was a motion to accept the redlined changes.

Commissioner Archer made a motion to accept the redlined changes to the contract. Deputy Mayor Ortiz seconded. Following roll call vote the motion carried unanimously.

Commissioner Cook then asked if there are any changes or additions to the contract that any Board member would like to make or recommend.

Councilman Campos stated he is not able to make a motion but he would implore his colleagues on the JEDO Board to consider KORA (Kansas Open Records Act) language so that the actions of GO Topeka and the documents of GO Topeka can be openly requested by those of Shawnee County and Topeka and they can see where those tax dollars are actually going.

Commissioner Cook asked Councilman Campos if he had any specific language or recommendations.

Councilman Campos replied that he would have to refer back to legal counsel. He asked Mr. Eckert if there is a specific place in which they could potentially put KORA language into the contract.

Mr. Eckert stated that JEDO is subject to KORA no matter what language is put into the contract. So whatever the open records law is, that is what applies here. So anything that would be put into the contract, they can't make it any broader or less broad than what the state statute provides.

Councilman Campos asked that when he says KORA is applicable to "us" does that mean just the County and the City, not necessarily the organization who receives the contract, correct?

Mr. Eckert replied that KORA applies to the City, the County and JEDO.

Councilman Campos replied but not GO Topeka?

Mr. Eckert stated that it would apply to the public money that GO Topeka receives, not the private money that GO Topeka receives.

Commissioner Cook indicated that if they will look at page 4, paragraph 4 of the contract, it reads specifically that, "The parties mutually agree that no expenditures shall be made from grant funds by GO Topeka, except as specified in the annual budget submitted by GO Topeka and approved by the JEDO each year. Such budget shall be submitted to the JEDO before the beginning of each calendar year, but may be amended from time to time by GO Topeka with the JEDO's approval." So as to expenditures, any expenditure made by GO Topeka with public funds has to first come through this Board for approval. So there is oversight as to how those public dollars are spent. Unless he is reading something other than what is the plain language of the contract.

Councilman Campos stated it is just merely a suggestion to the voting JEDO Board members. There is no action he can take or motion he can make.

Public Comment:

Joseph Ledbetter stated that this item really has several moving parts. He does want to address the RFP. The RFP specifically said that all of these expenditures would be subject to KORA and GO Topeka submitted their RFP with that knowledge. He disagrees, based on his own personal experience and trying to get information out of GO Topeka that they have been forthright about public money that they receive. It is a battle, it has been a battle to try to find out what Doug Kinsinger is being paid. It has been a battle to try to find out if his salary was ratified by a board, if his bonuses were ratified by boards and he disagrees that with this paragraph 4 that it is inclusive enough and that is based on a number of years on watching this process and being involved in it. Basically when they do a budget, they give you a budget, and until this last year it wasn't even hardly discussed. There was at least some discussion in December this time about the budget items. But at no place in that budget or contract does it say that GO Topeka can transfer \$811,000 to the Chamber of Commerce. And yet they do and they have done it consistently, hundreds of thousands of dollars when he goes back and looks at the minutes, he looks at the contracts, he looks at what expenditures he can find off of IRS records, because he can't get GO Topeka to tell him where that money goes. He has to find out that vast amount of monies were sent to the Chamber of Commerce to pay for Chamber of Commerce employees according to the minutes of December of 2012. He doesn't find that in the budget and he does not find that in the contract. He would love to have a legal opinion. Are they allowed to do that under the budgets that they propose that they can transfer that amount of money, public money, to the Chamber of Commerce which is supposed to be private? Do they have that right? He doesn't think they do. And yet it is done. This language (in the proposed contract) does not allow in his opinion, although it could be disputed in a court action, whether the public has a right to those GO Topeka (Board) minutes so they can find out where the money went because that is

really the record as well. So is it the opinion of counsel tonight that they are allowed to ask for those minutes of GO Topeka with this language and to get it?

Commissioner Cook stated looking at legal counsel for the JEDO Board, paragraph 4 of the proposed contract does say any expenditures, so as far as expenditures go, those expenditures are reportable to this Board but they would not be subject to an open records request by individuals and the public. Would that be fair to say?

Mr. Eckert stated that is accurate. And there is actually an AG's (Attorney General) opinion, and he apologizes that he doesn't have that number with him tonight but he would be glad to put that out. It was considered a not-for-profit entity that was here in Topeka, he thinks it may have been Sheltered Living. And the AG's opinion was "are their records open" because they receive grant money from both the City and the County. And the AG replied that no they are not open. So that is already out there on the Sheltered Living and to him they are not much different. They are both non-profit entities who received public money.

Commissioner Cook replied though wouldn't it be fair to say that GO Topeka is accountable to this Board and this Board has oversight as to their expenditures and how the money is spent. And in that regard this Board would be able to look into any expenditures and if the money is being used in the appropriate way.

Mr. Eckert stated yes, the entire \$5 million is an open record. Outside of the \$5 million that JEDO provides to whoever the independent contractor is, that would not be open.

Mr. Ledbetter stated he will provide AG opinion that says economic development funds given to "private organizations" are subject to KORA. And that is an opinion on Finney County economic development. The actual language as he recalls it was, the test was an amount. It had to be a significant amount of public money going to that entity for economic development which is actually a state actor type of public purpose. So it goes beyond what some non-profits are engaged in. That is actually a clear model where you match economic development with economic development. And that number (in that case) was \$30,000 a year. We are dealing with \$5 million. And they said in that opinion and those opinions are persuasive in Court, that they are open. Mr. Ledbetter asked for an additional five minutes to speak.

Councilman Manspeaker moved to give Mr. Ledbetter an additional five minutes to speak. Councilwoman De La Isla seconded. Following roll call vote, motion carried unanimously.

Mr. Ledbetter continued stating he does not believe this language is anywhere clear enough and he would point to the RFP said that they knew they would be subject, these expenditures would be subject to KORA. So he would like that language in this contract. And he does have some subject language. He did email it before the meeting. He will read it into the record and he will pass out copies to place into the record. He is asking for this specific language to be put into the contract: "This grant/contract is subject to Kansas Open Records Act, and all records of expenditures of this money shall be deposited with the City of Topeka Clerk every 30 days." Now why the City of Topeka Clerk? Because they are the ones that have consistently put these documents that are JEDO minutes out on the website. They have worked very hard with him over the past several years to make sure that we got all the records together from all the years, not just the intervening years or years where they didn't have the records. They have done a very good job of it. He trusts their competency to keep those records. And he thinks that every 30 days those expenditures can be deposited with the City Clerk and it will create a very transparent system which we have not had before.

We've dealt with this now for 13 years and it is time to fix it. We finally got them out of their Board room, the Chamber Board room. We finally got the minutes online and all in one place where we can all find them and review them. We finally got these meetings in a public place and televised. And that has been quite a fight, and he's not done. He wants this money to be transparent and he doesn't know how more clearly he can say it and it is for the citizens of this City and this County that pay this tax. And quite frankly there is no good argument not to do it. There isn't a good argument not to do it especially since that is the language that was in the RFP and they agreed to it and they did that subject to it. He would like to talk about the RFP but he wants to clearly talk about the language in this contract because if it is not in this contract, it will have to be a court fight to say what is actually public. They can agree right now. If they want the money, it's public knowledge. And quite frankly what are you hiding? There is really nothing to hide right? He doesn't care about medical records. He has to have a HIPAA for that and they don't have medical records. He doesn't care about personnel records. He wants to know where the public money went as should JEDO. They supervise this. They are the dog wagging the tail not the other way around and it is time to get this solved. GO Topeka agreed to it under the RFP, they should agree to it tonight. It's simple and it's really not anything to battle about. The public policy of the state of Kansas is that public expenditures are to be transparent. It has been the rule of this state since the 1970's. And transparency actually will bring more people into agreement that these programs are ok. He will not agree if they are not transparent and many, many people in this County will not agree. He passed around his suggested language for the contract. He tried to put it into one sentence and make it very succinct.

He is also going to pass out some records that show contrary to some of the presentations and information that has been given to them that our job base has shrunk over the last few years. These are national statistics taken from the Census and the Department of Labor. These are also documents that show that we have lost a lot of jobs. We had two more statistics that came out this week if you were listening to the news. One in four of our children in Topeka are now living in poverty; that has grown over the last ten years. He then asked for an additional four minutes to speak.

Councilman Manspeaker moved to give Mr. Ledbetter an additional four minutes to speak. Councilwoman De La Isla seconded. Following roll call vote, motion carried 6-0-1 with Mayor Wolgast dissenting.

Mr. Ledbetter stated that these statistics are not getting any better. We lost two major plants in 2012. The Mars plant was brought in 2011 with 180 jobs. We lost 1,000 jobs in the private sector the next year with two plant closings. We just lost an insurance employer of another 200 jobs. Since 2009 we have lost around 2,200 state jobs in the capital city and that does not count all the small businesses that are not represented by the Chamber. There are 7,000 small businesses in this town that are not members and they have lost a lot of employees and jobs. The poverty is up 50% in this city over the last ten years. You also have to consider that when you are looking at somebody to economically develop this city.

He looked at some of the lists that they were saying they had been involved in. He knows that Target was not brought by GO Topeka, it was brought by John Meyers who was a City employee who was paid \$60,133 when he left the City in 2002. He was the one who brought Target here in spite of their list. And they did not have land for it, they got it anyway. And so now what we are doing is spending \$5 million a year to save \$60,133. He would much rather we have a model, and it's really not up for discussion but, but he would much rather have a model where we had actual City or County employees running this program and we could file a KORA, we could go to the public meetings, all of them being public and we could make our suggestions, make our pitch

and let everybody compete for any of those subcontracts and actually start generating real economic development in this community instead of losing thousands and thousands of jobs consistently over a period of time.

He did look at their chart of there and a number of those businesses that they helped are now closed so they might want to update that. This is not against them, it is not him against them or them against him, he is concerned about this city and this county and it growing economically, being challenged with extreme poverty and it keeps growing and it not being addressed sufficiently with economic development and the total lack of transparency. Probably that #1 bothers him the most about this contract and about their performance is their refusal to be responsive. And by the way he has talked to two former JEDO members who said when they asked for specific information from GO Topeka, they were denied. And so even private citizens get equal treatment he guesses. And he thinks if he is going to help pay a tax, if his kids are helping pay a tax, if his friends and neighbors and his clients are helping pay a tax, we have a right to know where the money went and they shouldn't have anything to hide and they shouldn't be afraid. He would be happy to answer any questions about the specific language he has provided and he thinks it will make that contract open to the public completely without any question.

Carol Marple stated that she has been reading the proposal from GO Topeka for this contract. She sees details as a big part of this contract also. She is going to comment mainly on page 13 of the proposal. First, she feels like she has to say this and remind everybody that Questar came to GO Topeka, it was not the other way around. GO Topeka also mentions that they lease farm ground, but nowhere does it mention, and she does understand farming, nowhere does it mention that they participate in crop insurance or any of the other government programs. And she does know as a farmer that in some years this can mean the difference in breaking even or not losing quite as much money. She really doesn't know any business person who goes into business not intending to make money. And she feels that owning land you have a responsibility to care for it. You are the steward of that land. GO Topeka has a lot of land that they are the stewards of. She has brought some pictures and it just so happens that she has one from April, 2012. This is land on 49th Street behind Home Depot. She points this out to Mr. Kinsinger that this land was not in good shape. This is a picture of the same land taken on Wednesday. They are pretty much taken in the same timeframe; this is also another shot of the same land. That is the responsibility of GO Topeka. They're overseeing this land; they should be responsible to be good stewards.

We also talk about being shovel ready. In December, 2012, GO Topeka purchased a house and three acres on SW 77th Street. They paid \$21,000 for this house. To her, GO Topeka is using money that is for our community. It is to benefit our community, it is to help the people in our community. Their deal with the owners of that house was that they could auction it off and GO Topeka would receive half. That was approximately \$3,500. She wants to show them a house that they gave away for \$3,500. This could have gone to Habitat for Humanity, it could have also been torn down and the building materials reused or it could've provided a home for a homeless family. Now you're saying that's not going to be shovel ready. At the same time in December, 2012 they bought 36 acres which adjoins this house. There is a 60 x 120 building on that property. It was sold and it was supposed to be moved. This picture was taken Wednesday and it is still there, it is not looking like it is going to be moved. It is not shovel ready in her opinion, who wants to work around a 60 x 120 building. She then asked for an additional two minutes to speak.

Councilwoman De La Isla moved to give Ms. Marple an additional two minutes to speak. Councilman Manspecker seconded. Following roll call vote, motion carried unanimously.

Ms. Marple continued and stated she feels like details are very important and need to be taken care of. The person that bought the house also bought the building and also farms ground around the building. You know you run out of excuses after awhile why you can't take care of something. She also would encourage them to take a road trip and drive on 77th Street off of old 75 behind the Williamsport Township building. This is a picture of that road. City dollars, sales tax dollars are being used for that. It looks like there is a big hiccup somewhere, it's been sitting that way for a long, long time and we are not doing anything. This is right behind Mars, this is where the railroad track is.

She wants to move and and if they look at the list of companies assisted by GO Topeka, look at it honestly. Take your pen out and line through the businesses that are not in business anymore or that have a reduced workforce. They have a saying in her house about "Molly Math". She has ready this proposal, she has looked around in the community, she has lived here forever, she has read other articles. "Molly Math" in her house means that her daughter Molly, you might have loaned her money but by the time she applies "Molly Math" to it, you are going to owe her more money. Now she thinks we ought to coin the term "GO Topeka Math" because these numbers, in her opinion, are not reflective of what is going on in our community.

Allan Towle, GO Topeka Board Chair/President, Fidelity State Bank. He was elected Chair in 2013 because he saw the value that GO Topeka was adding to our community. The excitement of what we do, he agreed to serve as Chair for a second term. He looked at the proposal that GO Topeka submitted rather in depth before it was submitted. As a Board member you learn about the program and are involved as an oversight view and what's going on at a 10,000 foot level. When looking at the proposal it amazed him how detailed and what all there really is when you start looking at it all in one package, what GO Topeka provides for economic development for our community. He thinks they will find after they have read it, really that they are second to none on really the broad range of services and trying to impact as much of our community as possible of anybody that could provide such a thing. We work with women and minority owned businesses, we work with entrepreneurs, work with existing businesses to make sure they have an opportunity to stay in Topeka, hopefully have an opportunity to grow and expand in Topeka as fits their business models. In addition to that we try to draw in and attract new businesses.

It has been a pretty exciting week with several different announcements, Mars being a pretty big deal and all the media that was covered for that nationwide and what that did for our community as far as provide publicity. He thinks it has created some great opportunities. One of the things that GO Topeka has done is a collaboration with a lot of different entities and agencies and being able to bring the right people to the table when there is something that needs to be done. If we are really good we are able to bring in the State and some other funds and opportunities and not have to use as much as the incentive money of GO Topeka just to get a deal together or perhaps bring it all together. A lot of workforce development stuff is happening because of what's been going on. He does appreciate everything that JEDO does and appreciates the opportunity to be here today and to work with GO Topeka to bring economic development into our community. It is encouraging to see a three year contract being proposed. The Mars deal that was just announced, those are not one year deals. It takes a long time for these things to develop so a longer contract does help draw and attract business and it does help them to work with businesses and for those businesses to know they are going to be here next year when they have questions.

Maynard Oliverius, former GO Topeka Board Chair/former CEO, Stormont Vail Healthcare. He was on the Board of GO Topeka for the first thirteen years. He is now retired from the Board and is a past Board Chair so he comes to them more as a citizen of the community than any other capacity. He would like to throw his support behind a renewal of the contract as well as the expansion to a three year contract. When you look at GO Topeka and its history you have in addition to themselves as having a fiduciary

responsibility for those tax dollars you also have a 35 member Board of that organization who are also community leaders and community citizens who are doing their share to be responsible for how those dollars are being spent. He thinks that is a very powerful partner that the JEDO has. The organization of GO Topeka has the resources, the national reputation, and he believes the community trust to do the job that they have done for JEDO for a number of years. The staff of GO Topeka has excellent leadership, experience, respect of the community and the Board and they have the bench strength to do the kind of economic development activities that are needed. So he supports the renewal of the contract. He thinks it is important that we recognize that while there are job gains and there are job losses, no one organization in the community can be responsible for all of that. We have a role to play, we try to play that role as best we can, but if there are pluses and minuses, no one organization can be or should be responsible for all of that. He thinks the three year contract they are contemplating is very important because it's really hard to ask anyone to do the job that GO Topeka does on a one-and-done kind of arraignment, so one year contracts are really something that none of us would want to take a job, particularly as massive as this to do, so he is pleased that they are contemplating that and he hopes they will also pass that.

Wendy Wells, GO Topeka Board Treasurer/Market President, U.S. Bank. She is also a private investor through U.S. Bank with GO Topeka. She is here tonight to say thank you for the partnership and for the opportunity that JEDO has given them to provide economic development services for Topeka and Shawnee County. As Maynard (Oliverius) mentioned they have done this for twelve, going on thirteen years. She thinks their expertise and knowledge continues to grow as they provide those services. She wanted to assure that they take this job seriously. It's a big responsibility and they feel accountable to JEDO to do a good job. It's a public/private partnership. Mars is a perfect example of that beautiful partnership and she applauds them for being a part of that. She personally looks forward to working with JEDO in the future so we can create more success similar to what we have done to this day.

Neil Fisher, GO Topeka Board Member/Vice-President, KBS Constructors, Inc. He has been on the GO Topeka Board for a little over ten years. More importantly he has been a citizen of Topeka since 1956 and he has see this town go through that period of time, from a sleepy little town that basically had Goodyear and Dupont as its main center of economic activity. He has seen times when the County and City government just drifted along and just basically went along. He has also seen a time when the government got involved in economic development and had an economic development industrial park north of the river and I think we all know how successful that endeavor was. Upon the advent of GO Topeka being formed, and let's talk about GO Topeka. GO Topeka is businesses and citizens of our town. There's no one that sits on the Board inside that board room during a meeting that has only the best interest of Topeka at heart. He can tell you that over the years the one thing that he has criticized the GO Topeka Board of is we haven't done an adequate job of marketing our success. Because the time and the things that have happened over the last ten years have definitely greatly changed the city. And the people that are involved in GO Topeka, from the staff to the investors, and you know we talk about the Board members being in there, those are businesses that are putting money into that endeavor and they are putting money into our city. With that he would close and reiterate what the other speakers have said and thank you for the opportunity for the members of this partnership and he looks forward to the future.

Councilman Campos stated that he does appreciate the comments that Mr. Fisher made. He hit the nail on the head. We do not highlight what we have retained here. A lot of folks don't understand that we have kept the cellophane factory here. We wouldn't have kept the earth mover tires at Goodyear here if it weren't for GO Topeka. Though he does agree with Mr. Ledbetter that there needs to be more transparency in expenditures he would agree with Mr. Fisher that we do not tout the successes of GO Topeka. Over the last decade we have done a lot of great things in this community and he does appreciate Mr. Fisher's comments, he hit the nail on the head.

Mr. Fisher replied that the only thing he would like to say is, and he doesn't want to get into a big dissertation about it, but when we talk about transparency and confidentiality and the only thing he will say about it is that confidentiality is one of the main corner posts when you are dealing in economic development. That the businesses that look at coming to a community what they demand is confidentiality until the deal is done, until they are ready to go. And he can tell them, he believes it was a state legislator or somebody in the state government who actually slipped and breached that confidentiality during the Mars situation and we almost lost that plant.

Commissioner Cook stated that is the end of the public comments portion of this item. At this time are there any other additions or corrections to the contract. Seeing none, is there a motion regarding the contract.

Commissioner Archer moved to approve the three-year contract with GO Topeka. Mayor Wolgast seconded. Following roll call vote, motion carried unanimously.

ITEM NO. 5: ACTION ITEM: Consideration of Incentive Agreement with Yantra Services – presented by Doug Kinsinger.

Doug Kinsinger, President/CEO of GO Topeka Partnership/Greater Topeka Chamber of Commerce indicated there is a handout all the Board members should have highlighting the incentive agreement and the full contract was provided in the packet this evening for their review. We talk a lot about manufacturing and big companies; this is also equally exciting because it is a higher tech start-up company that has great potential for the future of our community and also potential for some very high wage jobs.

Yantra Services:

Global financial technology firm specializing in designing, developing and managing electronic payment systems. It has done work for companies such as Google and PayPal and other web giants.

Total Incentive Offered:

- Total incentive up to \$100,000 for a total of 20 jobs
- 10 year agreement paying up to 1/10 of the proposed amount to the company each year based on performance. And to keep it simple what we are doing is paying for their performance on an annual basis.
- Healthcare and other contractual requirements remain.

New Proposed Incentive Offer:

- \$5,000 per job paying \$100,000 or more annually (eligible for 1/10 each year)
- \$4,000 per job paying \$80,000-\$99,999 annually (same)
- \$3,000 per job paying \$60,000-79,999 annually (same)
- \$2,000 per job paying \$40,000-\$59,999 annually (same)
- Positions paying less than \$40,000 annually are not eligible under this agreement.

This is a company that is just starting here and getting going that we think has good growth potential and one we think is worth investing in to make sure that it stays and grows here in Topeka.

Commissioner Archer stated that he just wanted to make sure that the claw back provisions are included in this offer. Can we go over that very quickly. He is not sure the public knows that we expect performance under these incentive agreements and if the performance is not met then we get our money back.

Jeff Wietharn, Legal Counsel for GO Topeka responded that Commissioner Archer is right that these incentive agreement contracts typically have claw back provisions. This particular contract with Yantra Services does not have claw back provisions because they will not receive the money until they perform for that year. And the idea being is that the level of employment on this incentive is that basically if they have three or four jobs filled this year, they will get 1/10th of the incentive next year. If they drop a little next year we are not going to claw back that \$500, they just won't earn for the subsequent year so it is really more of a pay-as-you-go mechanism on this particular contract so it is a little different than most of our contracts. And the idea is that they are not getting a whole lot every year. Sometimes we pay the companies the incentive monies upfront so then we definitely need to have a claw back provision. It is a new company so if it ebbs and flows, it isn't going to hurt them, they just won't get that much money the following year. This is a little different for that purpose but there is a method to that madness.

Commissioner Archer asked so the incentive is paid in arrears and not in advance and then every year we look at performance and then we true up with them based on what they have done.

Rich Eckert, Shawnee County Counselor stated that he was just looking at the slide submitted and it looks as if there is a math error. On \$3,000 per job, it goes from \$60,000-\$89,999 but when you look at \$4,000 per job then it starts at \$80,000 so he suspects that the error is that on the \$3,000 per job it should be \$60,000-\$79,999.

Commissioner Cook indicates that the actual contract itself is correct, just the handout is incorrect.

Mr. Wietharn stated that he wanted to point out that they have to at least maintain four jobs to keep this going. If they drop below, at that point we would just terminate the contract. If this company doesn't go anywhere, then we would just close up shop on it. He doesn't mean that in the bad way, it's just it wouldn't be worth them to maintain this contract.

Councilman Schmidt stated that there might be another math error. On the sheet they were handed it says they would get \$5,000 per job paying \$100,000 or more annually and the contract it says a full time employment position receiving compensation of \$100,000 or greater is eligible for a \$500 Employment Incentive

Mr. Weitharn replied that it is stated two different ways. The handout says \$5,000 per job paying \$100,00 or more annually (eligible for 1/10 each year), that is the part that is a little confusing. The top paid position would only get \$500 per year. The way it is written in the contract, in his opinion, is a little more clear. But over the life of the contract a job could get \$5,000. It's stated two different ways (handout vs. contract). But realistically they can get up to \$5,000 over ten years but it is \$500 per year.

Councilman Schmidt asked so if they create a job paying \$100,000 and that job remains for ten years, it would be \$5,000 total or \$500 per year.

Mr. Weitharn replied yes. From time to time we would pay a company the incentive upfront. But that is not the structure of this contract.

Commissioner Buhler asked if she were to look at this contract and the incentives we are offering and then she looks at the contract they have with GO Topeka, these costs would be reflected in the annual

budget and also in the quarterly report and would also be included in the documentation of costs or the documentation of outcomes according to Section 17 of the contract.

Mr. Kinsinger replied that they provide monthly financial statements to JEDO on a quarterly basis and also on the audit that is received annually. This is approved as a line item in the JEDO budget also so it is reported numerous times in terms of the budget and how it is expended.

Mayor Wolgast asked what is the total employment of Yantra Services now.

Mr. Kinsinger stated currently he believes they have right around six, but they are getting ready to hire. The big thing that would be important and what he has provided to their member of the media here for a media release pending what their consideration is tonight, they need to hire some high level software engineers. They are looking for all those skills as they can in our region and they are looking to import those here to reside in Topeka. The higher skill sets they can recruit the better they will be and we will be to help them grow. They have been hiring some of the highest level PhD's and graduates from KState and KU. But we are incentivizing them for up to twenty positions.

Public Comment:

Joseph Ledbetter, Attorney at Law stated that he honestly doesn't have an opinion on this company because he doesn't know anything about it. But he does have a question that he would like answered and that is, is this company currently doing business with GO Topeka?

Commissioner Cook asked Mr. Kinsinger if this company is presently doing business with GO Topeka.

Mr. Kinsinger replied no.

Mr. Ledbetter stated to follow up to that, has this contract been ratified by the GO Topeka Board before being brought here.

Commissioner Cook asked Mr. Kinsinger that before this proposal was brought forth to the JEDO Board, the question from Mr. Ledbetter is whether or not the GO Topeka Board approved it.

Mr. Kinsinger replied yes.

Mr. Ledbetter stated he is sure that they (GO Topeka) would they share those minutes with the public. This is the first one of these he has seen like this since Schendel. As they know, he has attended a number of these meetings. When he says "like this" he is talking about smaller companies. He would like specific answers on the record about how companies approach Doug Kinsinger to get these incentives so that if other people want to participate they know how to do it, are they invited to the GO Topeka meetings, how does this happen, do they have to be Chamber of Commerce members since this is public money. He would like answers to that because the public would like to know how this process works for smaller businesses.

Commissioner Cook asked Mr. Kinsinger if he could detail in brief how businesses contact GO Topeka or how GO Topeka contacts businesses.

Mr. Kinsinger stated first of all there is no requirement for them to be a member of the Chamber, that would be nice but it is not required. Basically GO Topeka hears about these companies from a variety of sources. Sometimes businesses approach GO Topeka, sometimes GO Topeka approaches them. GO Topeka is primarily looking for primary employers, as we try to educate everyone about the importance

of a company who sells their product or service far beyond our traditional retail market area or they are bringing in new dollars to help grow our economy. So GO Topeka's criteria is to look for companies who are going to bring new dollars to our community and will also be paying wages that will help raise our average wage. There is no magical way. GO Topeka tries to look for projects that will commit; basically you need to understand these are incentives based on performance. We have had a number of companies who have approached GO Topeka and say "provide us this and then we will go and do that", but they don't want to make a commitment or obligation. We try to make sure that they only receive their incentive after they have performed.

Mr. Ledbetter stated thank you, that is all that he has.

Councilman Campos asked Mr. Kinsinger would it be correct to say that there is no formal application process which businesses based in Shawnee County can apply for these incentive packages.

Mr. Kinsinger replied there is not a set required process. GO Topeka tries to negotiate and speak with almost any company who has an interest. They want to talk to every company that they think has potential. But there is not an application to be filled out.

Councilman Campos replied that in light of the comments that Mr. Fisher just made, how do we inform local businesses that they could receive potentially receive incentives from GO Topeka?

Mr. Kinsinger stated that GO Topeka has sponsored a number of incentive workshops for large and small companies and they also make calls on a variety of companies, both large and small sizes trying to make sure they are aware of all the tools they have available to them and they try to publicize those workshops. They will do that to the extent that the media will assist.

Councilman Campos asked would it be outside of the realm of possibility for them to establish a formal application process.

Mr. Kinsinger replied that they could but they are trying to make it easy for the company and each situation is slightly different. So they are trying to understand the needs, quite often they try to adjust. As they heard in the contract tonight, that GO Topeka tries to adjust to remove the risk for the public dollars, so they have tried to have some flexibility on how they structure each incentive so that they try to create the biggest performance for the community with the lowest amount of risk.

Commissioner Archer moved to approve the incentive agreement with Yantra Services. Councilmember De La Isla seconded. Following roll call vote, motion carried unanimously.

ITEM NO. 6: Public Comment

Joseph Ledbetter, Attorney at Law stated that he is disappointed that there was not transparency language adopted into the contract tonight even though GO Topeka had agreed that under the RFP they would submit to KORA, so that is an interesting legal argument now. He will make sure that he provides the Attorney General's opinion about economic development organizations and how they are subject to KORA, so he will make sure that everybody here has that, probably in the next few days. No one that he knows cares about secret or confidential information, and he being an attorney understands confidentiality, that any company might give GO Topeka. And he says might because based on what he has seen we are not getting a lot of activity for any types of new plants and he is talking about three of them over twelve years that GO Topeka was actually involved in. And if you bracket the years they were involved, and he has talked to Steve Jenkins who was actually the one who helped bring those in before he left, he said those were built, finished out, Home Depot and Bimbo in 2008 and by 2011 the Mars deal.

By 2009 we were being told they were out of land even though they still had 300 acres still at Commerce or Central Crossings by their own admissions.

He gets a lot of misinformation out of GO Topeka and he doesn't appreciate it being a citizen and being someone who is concerned about transparency. On Goodyear, that was almost entirely a state action. GO Topeka was involved on the fringes but they did not lead that charge. That had to go through the legislature and the State gave a lot of incentives to Goodyear in 2010 with a lot of tax money to keep them here. And he is not saying that was a bad thing. He is saying we have got to get the record straight as to who really did what. Why do you think the governor was out there at the groundbreaking and also making the comments at Mars? Because the State was heavily involved in that action and that plan. It doesn't mean that GO Topeka didn't participate but you really have to look at the Department of Commerce where a lot of these deals come from. They are not top secret, they come from the State, the corporations approach them and they work through them.

As for smaller businesses, at least we have clarified on the record on how those can be approached to GO Topeka now because he has never heard before tonight even how somebody could bring a request before GO Topeka so he is glad that has been clarified. And he would like to see those minutes of GO Topeka's approval of that and he is sure there is nothing to hide and nothing top secret that the public would be offended by or would offend anybody requesting the money.

There was talk about pledges. It is nice to get pledges from people, they don't always work out. Some of those corporations go under, some of those people leave and they don't fulfill their pledges, so a pledge is still just a pledge. He is always curious about if they have \$5 million, do we get some of that back since they raised some money? Not a bad idea. Could we put that into affordable housing, could we put that into Parks and Recreation you know where you can at least file a KORA and see where the money went or at least make requests where the money went. He then asked for an additional two minutes to speak.

Councilman De La Isla moved to give Mr. Ledbetter an additional two minutes to speak. Councilman Manspeaker seconded. Following roll call vote, motion carried 5-0-2 with Commissioner Cook and Commissioner Archer dissenting.

He wants to make it very clear that he does not want any confidential information on any business that might think about coming to this town. He doesn't care about it. He does care about public money. He cares about the salaries that are being paid. He wants to see comparable data as to why those people are getting those salaries based on this region, based on their experience and based on productivity. He wants to know that land is bought with actual appraisals and that we don't buy land we don't need. He doesn't want to buy wetlands, he doesn't want to buy houses and all of those things have been bought by GO Topeka with our money. He does not think there is enough accountability and he said so when he was debating one of the GO Topeka Board members a number of years ago. In fact it was the first time they had this up for debate and up for election and he said we will not get accountability for where this money is going. And he unfortunately has been correct. We do not have transparency for this public money and it is unfortunate because what it has done is it has given people an attitude that "I don't have to tell anybody". And according to some JEDO members he has talked to, it even included them and that to him was shocking because he just believes if you are handling a lot of public money for economic development which is a state acting type of position you should be very above board with all that money and tell the public exactly dollar-for-dollar where it went when the public requests that information. It's not Area 51.

Carol Marple stated that she truly wishes she could say she is surprised by this vote but she is not. She thinks that JEDO needs to rethink how they put the contracts up for bid if it is done in the future. They need to ask themselves is thirty days enough time, are we using the right sources in which to advertise. She finds it very disheartening that we only had one response and that was from the organization that has had this contract since the year 2001. She has been asking herself what is wrong with her community that there are no other organizations that interested in coming here to help make her community better. She personally thinks that our community has a lot to offer. She would also ask that JEDO consider making it part of their policies that all people receiving a salary from GO Topeka work only for that organization. She herself thinks that it would be very hard to wear two different hats and working an eighty hour work week. This does not allow a person to do well in either position. She knows we as farmers work long hours when we are planting and harvesting and it takes a toll on a person. She cannot imagine doing it every week for 52 weeks per year. She thinks your productivity would rapidly decrease. She hopes they will consider her suggestions.

Lazone Grays, President & CEO, IBSA, Inc. presents a handout to pass around for the voting JEDO members.

Councilman Campos stated that for anyone who comes to public discussion or anyone who has handouts, there are thirteen people who are Board members of JEDO so make sure you have copies for everyone.

Mr. Grays thanks the JEDO members for the opportunity. We don't always receive funds to make enough copies for everyone but the voting members are the people who really need to read this information. He would ask if they could share it with the people next to them so they can see. He is glad that the information is posted on both websites and just for the general public to know what is being shared. The information that he is sharing is really just sort of a follow up based off of information he has shared before so that no one is caught blindsided. The unemployment data for target population, he just wants to make sure that they know what those numbers are. And as you look at it year after year, you can see if it is changing and if it is not.

The front page is information that he received from the Kansas Department of Labor it is their Affirmative Action, this is the most recent one that they have which came out and they are always about a year shy. And the second page is the Topeka MSA (Metropolitan Statistical Areas) and following is the Shawnee County and he has circled the numbers in the areas that have always been a part of this concern when he comes forward. Within this new 2012 report he can say that this is the first year that unemployment for the particular population that he has come and spoke about has actually gone below 17% since 2004. So there is some progress there. On another note there, unfortunately the total population of that population within the workforce dropped from 3.8% to 2.7% so those are numbers that they can look into. And he is mentioning all of this because as the JEDO who has to set the priorities over the next two or three years, that these are numbers they will look at and consider when they are setting these priorities. Behind Shawnee County is Wyandotte County and he has also identified those numbers just as well. And he works in that area too and you can see that those numbers there are more daunting than they are here. And so this is not just a discussion that is happening here, these are discussions that are happening in other places that are facing these high disparities, unemployment numbers and trying to put their minds around how you address this. He still remains optimistic about the ability of working with GO Topeka and their staff on addressing these numbers here. Because it really doesn't matter how many companies you bring in, or powerpoints and all that, if the numbers don't get any better than we are really sort of playing three-card Monty you know with the public and their intelligence. Let's just call it as it is.

Following the other page there that starts with the “Play: Digital Inclusion”, even though Google did not choose Topeka to come here they did choose Kansas City and he has been working on the ground there all along. And technology is something that is on the forefront and it has transformed the conversation on what’s going on there with a lot of the foundations, the bigger companies. And this is a playbook that was put together by the Bistate that was going to guide the direction on what does that mean for high-speed, ultra high-speed coming to Kansas City and what did it mean for the community, who was best to make sure there was a build out of technology that deals with the communities that could be left behind as well as those upper crusts entities and research institutions and hospitals. And so his role has been in the part of digital inclusion. How do you bring connectivity to those low to moderate, underserved communities and his project is probably the largest project on the Kansas City, Kansas side for the largest and oldest public housing development in the state of Kansas in Northeast Wyandotte County that houses the most highest unemployed and lowest income per capita within the State. It is a project that covers five city blocks and it provides wireless to every resident in the Juniper Gardens housing development. He then asked for an additional three minutes to speak.

Councilwoman De La Isla moved to give Mr. Grays an additional two minutes to speak. Councilman Manspeaker seconded. Following roll call vote, motion carried unanimously.

This is a playbook that had numerous pages, maybe 40-50, and he just looked at the things that his organization could do to roll out these plays where other bigger agencies were looking at the bigger picture. There was no one really focusing on the small populations that are just as important as the big picture. Digital inclusion, making sure that low income people did not get left behind. Part of it was mesh wi-fi networks, that we put together, the large wi-fi networks and that sort of speaks for itself. Access to capital, these are the things that were put to the mayors on both Kansas City, Kansas and Kansas City, Missouri side passed and approved by all the major foundations and companies that work with Google fiber.

But it’s not just about Google fiber, not everyone needs a gigabyte of speed. What it highlights is the importance of connectivity for all persons, especially those who are in communities where they are not being targeted and that broadband is being built up. In the future, over the next three years he hopes that the JEDO and GO Topeka even would start looking at this technological infrastructure and how it has to be rolled out in these particular neighborhoods. And this information here he things would already provide a good guide post on what to do. He tries to go and find things that work and see if it could work here. If he thinks so, he is going to come up and advocate for it. The build-off off of the wi-fi lead to other people thinking outside the box and innovation which lead to the housing authority purchasing property, rehabilitating it right across the street from this low income housing project and putting in a neighborhood computer technology center. Very state-of-the-art, people who would never come into the community at all and would want to leave before 5:00 pm, they were there and they were just in awe and amazed just by what happened. Now it is about moving in certain types of tech programs, not just basic digital literacy, but other things because as he has said, kids in Topeka are competing with the kids sitting next door. They are competing with the kids sitting in another country and if the community doesn’t do something, and he thinks that local government has an ability and responsibility, kids do not have access to connectivity once they leave their school doors. And there were some bills come up that tried to stop local governments from being a part of bringing connectivity to these underserved markets. He hopes that connectivity becomes a part of the discussion, anything that can be done to work together to make it happen, he is down with that.

The last page is just something that Mayor Sly James had put together about the reasons why fast internet benefits students. Again just to reiterate how technology is going to play a big role in the forming of young people being able to take jobs on not just in their community but in the State, in the nation and in other parts of the world. He looks forward to trying to do a large project in the City of Topeka and have a team outside the people from Kansas City that can do such. He thanks them for their time and looks forward to hopefully working with GO Topeka to continue some of the great things that they are doing and keeping JEDO informed of the numbers so they don't forget that there are some numbers that still need to be addressed.

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:30 p.m.