

**Joint Economic Development Organization Board Minutes
May 13, 2015**

City Council Chambers, 214 SE 8th Street, Topeka, Kansas, Wednesday, May 13, 2015.

The Joint Economic Development Organization (JEDO) Board Members met at 6:00 p.m. with the following voting Board Members present: Deputy Mayor Karen Hiller, Councilmembers Michelle De La Isla and Jeffrey Coen; and Shawnee County Commissioners Shelly Buhler, Kevin Cook and Bob Archer -6. City of Topeka Mayor Larry Wolgast presided -1.

Nonvoting Members present: Councilmembers Sandra Clear, Sylvia Ortiz, Jonathan Schumm and Brendan Jensen. Absent: Councilmembers Elaine Schwartz and Richard Harmon.

Mayor Wolgast called the meeting to order.

APPROVAL of Minutes of the April 29, 2015 JEDO Board meeting.

Commissioner De La Isla moved to approve the minutes. The motion seconded by Commissioner Cook carried. (7-0-0)

PRESENTATIONS by Avalanche Consulting, Inc., and Garner Economics, L.L.C., were presented.

Amy Holloway, Project Lead, Avalanche Consulting, Inc., presented their proposal to provide an economic development analysis and recommendations to the JEDO Board.

Amy Holloway gave a brief overview of Avalanche Consulting, Inc. She reported they have partnered with various communities across the nation based on the belief of a transparent process. She gave examples of services provided, marketing and branding strategies, processes that would develop a shared economic development vision and goals while building a consensus along the way. The Scope of Services provided would include the following:

- Phase 1 – Discovery
 - Stakeholder Input
 - Incentives Review
 - Organizational Assessment
 - Quantitative Analysis

- Phase 2 – Economic Development Analysis and Recommendations
 - Vision and Mission
 - Strategy
 - Workforce Development
 - Small Business and Entrepreneurship
 - Minority Inclusion and Empowerment
 - Quality of Life

- Marketing and Communications
 - Organization
- Measurements

Ms. Holloway stated performance metrics would be based on specific tasks and economic improvement, followed by an implementation table to make the metrics easy to measure. She stated they would facilitate six stakeholder focus groups accommodating 10-15 participants per group to meet with the JEDO Board as a body, and individual board members. The project team would partner with JEDO to make a positive impact. She stated she was excited about the prospect of working with JEDO.

Deane Foote, Project Advisor, joined the meeting via teleconference. He stated he was excited to work with JEDO and provided a description of his qualifications and economic development services. He commented on the companies that have partnered with Avalanche Consulting, Inc., and listed a few of the economic development projects that Avalanche Consulting, Inc., has been involved in. He noted one-on-one interaction with the public and JEDO Board would be an important part of the process and if done right, jobs would occur and the city would grow.

JEDO Board members asked the following questions:

1. Councilmember Clear asked what project Avalanche considers their biggest success.
2. Councilmember De La Isla asked Ms. Holloway to elaborate on a project where Avalanche feels it was unsuccessful.
3. Mayor Wolgast asked if Avalanche has experience with similar entities like the JEDO Board where it was a collaboration of City and County government officials.
4. Deputy Mayor Hiller asked Ms. Holloway to describe a city she had partnered with that was diverse and had increased poverty levels; what kind of elements would appear in a master strategy plan; provide examples of performance metrics; and would there be downtown and neighborhood planning.
5. Councilmember De La Isla asked what are the best practices used by Avalanche to reduce poverty in relation to economic development.
6. Councilmember Coen asked who would monitor the successes and failures of the recommendations.

In response, Amy Holloway stated the following:

- She is very proud of the partnership with Charleston, South Carolina, and the accomplishments made in that area by building the creative class and “foodie” scene.
- There were a few projects that could have gone better; however, the implementation of the recommended strategies are a team effort and the issue of leadership changes in the community could be an issue.
- Economic development was not a “one size fits all” approach as all dynamics in a community should be considered and followed by an organizational assessment.

- The Jacksonville region priority was to engage an area of the community that had never been involved in economic development; therefore, time was spent in looking at the local resources for access to entrepreneurship and this area became very valuable in the analysis.
- Many factors are considered including talent retention, quality of life, entrepreneurship and career opportunities all of which are narrowed down in the discovery process. She would like to see a greater diversity of involvement in economic development and ensure target industries to make Topeka-Shawnee County the most competitive place in the nation.
- Performance metrics are thought of as “wellness indicators” and go beyond capital investment and job creation. Performance metrics can be driven by goals, vision and strategy.
- Reducing poverty depends on the nature of the community to ensure the economic development target jobs providing for everyone from a PhD to a GED, make certain education was accessible and address childcare and transportation issues.
- Once a strategy was completed, Avalanche would monitor the successes and failures of the recommendations. It depends on the organizational assessment which could be discussed and considered as an option in the future.
- Avalanche would not be urban planners; however, a community needs a thriving downtown area as well as a thriving city to be successful in economic development.

Deane Foote stated Avalanche Consulting, Inc., wants all strategies and recommendations to work cohesively and if there are issues they would be addressed to work effectively.

In closing, Amy Holloway thanked JEDO Board members for considering their proposal and she hopes they will be given the opportunity to serve the community.

Jay Garner, Garner Economics, L.L.C., presented their proposal to conduct an Economic Development Analysis and Action Plan for Topeka and Shawnee County.

Jay Garner, President of Garner Economics, L.L.C., thanked JEDO Board members for the invitation and opportunity for acquisition. He distributed a booklet which briefly overviews Garner Economics, L.L.C. and their partner Brand Acceleration, Garner Economics, L.L.C.’s Value Proposition, past clients and the core team that would work with JEDO Board members. He provided statistics on the following topics:

- Employment Change from 2005-2015 between Shawnee county, state of Kansas and the United States
- Net Post-Recession Employment Change by Major Industry Sector from 2010-2013 for Shawnee County
- Average Annual Wage from 2009-2013 for Shawnee county, state of Kansas and the United States
- Median Age & Age Distribution between 2009-2013 between Shawnee county, state of Kansas and the United States

Mr. Garner listed the needs of JEDO and described how they would work to achieve these goals in the following phases:

- Phase 1: Assessment
 - Organizational Analysis
 - Benchmarking
 - Incentive Policy Assessment
 - Marketing and Communications Audit
- Phase 2: Recommendations and Strategies
 - JEDO Structure and Programming
 - Incentives and policies to attract investment
 - Messaging to sell the region
- Phase 3: Strategic Implementation with Metrics and Performance Benchmarks
 - Economic Development Service Delivery
 - Incentives and other policies
 - Telling your story
 - Measuring Success

Mr. Garner commented on the stakeholder input process which would include six focus groups/round table discussions, a “Community Listening session” (Town Hall Meeting) and an electronic survey to a broad and diverse audience. He discussed Benchmarking to understand how JEDO and the Topeka-Shawnee County economic development service delivery compares to programs and results in competitor regions as well as best practice economic development organizations to identify initiatives to grow and barriers so they could strengthen the existing incentive program. He gave a proposed timeline of 16 weeks which included the following:

- Weeks 1-8: Alignment Meeting & Assessments
- Weeks 3-6: Interviews, Focus Groups, Listening Session & Survey
- Weeks 8-12: Strategy/Recommendations Development
- Weeks 12-16: Draft Review, Final Report Refinement & Presentations

In closing, Mr. Garner thanked everyone for the opportunity to present a proposal. He stated he would not just be a vendor he would work to be a valuable member of the team if chosen to help the JEDO Board rise to the next level. He commented on recent changes that have occurred in economic development partnerships within the community and he believes it would be a good opportunity to move forward and make changes.

JEDO Board members asked the following questions:

1. Mayor Wolgast asked if Garner has experience with similar entities like the JEDO Board where it was a collaboration of City and County government officials.
2. Councilmember Clear asked what project Garner considers to be their most successful.
3. Councilmember Schumm asked Mr. Garner what the advantages are to being a Site Selection Guild Active Member as well as what would be the emphasis on improving the economic development message and instilling confidence in the public.

4. Councilmember De La Isla asked Mr. Garner what was his definition of economic development; what are the three things that make economic development successful in a community; and where does the community fit in.
5. Deputy Mayor Hiller asked Mr. Garner what his vision was to engage the community in the planning stages and his experience on the issue.
6. Councilmember Coen asked who would monitor the successes, failures and ongoing metrics as well as could Garner, as a consultant, provide unbiased assessments when they have worked for GO Topeka and JEDO in the past.
7. Councilmember De La Isla asked Mr. Garner what he believes are the top two issues that should be tackled as well as where does he see the City's stance on entrepreneurship and small businesses.

In response, Jay Garner stated the following:

- City and Counties working collaboratively on economic development was not uncommon. He noted having a dedicated sales tax specific to economic development was very positive and it mimics economic development tax models in Texas.
- Newton County, Georgia, strategy project targeted the life science sector resulting in Baxter International providing for a \$2 million project. He noted there are many other testimonials listed on Garner Economics, L.L.C.'s website at www.garnereconomics.com
- The advantage of being a site selection guild member means the individual understands what a customer (company) was looking for and the member was credible in site selection capacity.
- Economic development means wealth building and a better standard of living. He listed three levels to achieve economic development: 1) hunters (recruiters, visitors, retail); 2) gardeners (entrepreneurial development, small businesses); and 3) nurturers (existing businesses). A community should be attractive and conducive to investors to achieve results.
- Community Listening Sessions (Town Hall meetings) would be facilitated by Garner to learn from the community and determine the economic vitality of the area; engage with people who are unique or necessary for a community and others who may drive business away or bring it to the community. West Monroe, Louisiana, has done the same methodology as well as New Hanover County, North Carolina; however, it is based on community budget so the number of focus groups could fluctuate. The public survey was a standard operating procedure they like to use.
- JEDO Board members would monitor the successes and failures of the recommendations; however, Garner would provide the tools necessary to effectively accomplish the recommendations. He believes Garner could remain unbiased because GO Topeka staff members have changed over the past nine years.
- He stated he has not engaged in an organization whose message has been so poorly communicated, so there was no benchmark to compare it to.
- Two critical issues to tackle with at a glance in the community: 1) Site Selection: the city does not "show well" this has been a fundamental issue; therefore, community improvements and enhancements are needed which has proved very successful results in the past; 2) Request for Proposal: biggest issue was to work in an organized structure that is trusted and respected by the local community as well as potential investors which could be accomplished through contracts that include an outstanding economic delivery and communication by the JEDO

Board that was more effective to create trust. There has been a need to enhance entrepreneurship and small businesses significantly as well as effective programs that nurture investments. There has been a need to also attract large companies; however, they would have to approach the strategy as a community of the whole to ensure the entrepreneurs and small businesses do not wither away.

DISCUSSION and ACTION on the proposals of the professional consultants to provide economic development analysis and recommendations for Topeka and Shawnee County.

Commissioner Cook thanked both the consultants for their presentations which spoke highly of their expertise in the profession and their professionalism.

Commissioner Cook moved to select Garner Economics, L.L.C., and authorize Mayor Wolgast to negotiate a contract to bring back before the JEDO Board for approval. The motion was seconded by Commissioner Archer.

Commissioner Archer expressed appreciation to the consultants for attending and presenting their proposals. He spoke in support of Avalanche Consulting, Inc., because they have a basic knowledge of the Topeka community, good experience with site selection and was impressed with their work in Charleston, South Carolina, which has been voted as one of the premier cities in the world and recognized by Forbes magazine for best managed city.

Commissioner Archer made a substitute motion to select Avalanche Consulting, Inc., and authorize Mayor Wolgast to negotiate a contract to bring back before the JEDO Board for approval. The motion was seconded by Commissioner Buhler.

Councilmember De La Isla stated it was a difficult decision, as both consultants presented their proposals well and included key ideas that would have a high impact on the community and understands poverty and how it affects economic development. She noted one group made a strong affirmation to the core job duties of the JEDO Board and was poignant to bettering the relationship with the community and the other proposal was geared towards creativity and energy.

Deputy Mayor Hiller expressed appreciation to both consultants for their presentation. She spoke in support of Avalanche Consulting, Inc. because she believes they would listen and develop strategies according to input by the community.

Michael Schultes spoke in support of Garner Economics, L.L.C. because he believes they were more genuine and inclined to develop strategies from the start of the process.

Joseph Ledbetter expressed concern with the JEDO Board contracting with consultants that have previously worked with GO Topeka and could have potential biased opinions. He spoke in support of Garner Economics, L.L.C. and believes they would help build trust in the community and be open and honest in the process. He stated he was impressed with their employment charts and they struck him as a company that would be engaging and help solve problems. He suggested the consultant interview

the Citizens for Accountability in Government as well as the League of Women Voters, small businesses and Neighborhood Improvement Associations.

Tim Zurawski stated he believes JEDO was inefficient and ineffective and appears to have no clear direction. He spoke in support of Garner Economics, L.L.C. because they have done a great job in researching the community.

Carol Marple spoke in support of Garner Economics, L.L.C. because they gave an excellent presentation. She expressed concern with spending tax dollars on hiring a consultant if the recommendations are not followed and put into action. She also expressed concern with GO Topeka and establishing a clear delineation of GO Topeka and JEDO.

Jim Lord spoke in support of Garner Economics, L.L.C. because they would involve the public in moving the City forward and help change the way business was conducted. He expressed concern with the changes that need to be made between GO Topeka and different organizations with the hope of moving towards the future and better communication with citizens.

Councilmember Schumm stated JEDO Board members need to determine what company would provide the best fit for the community and noted each company provides a very different strategy.

Councilmember Jensen spoke in support of Avalanche Consulting, Inc. because he believes they would look at the fundamental issues in the community. He encouraged the JEDO Board to look at different parts of the community to lay the foundation for different business opportunities.

Commissioner Buhler spoke in support of Avalanche Consulting, Inc. because she believes they are deeply driven to make a positive impact in Topeka. She read a statement from Garner Economics proposal, "Garner Economics provides creative, strategic and executable value to companies, communities and organizations globally." She also read a statement from Avalanche Consulting's proposal, "Avalanche Consulting is deeply driven to make a positive impact and seeks clients who are equally inspired to energize their economies." She believes these statements speak about the impact each consultant could have on the community.

Councilmember Clear stated she liked both presentations; however, she challenged the JEDO Board to perform and achieve the recommendations made by the chosen consultant.

Mayor Wolgast spoke on behalf of Councilmember Harmon who could not attend and stated he spoke in favor of Garner Economics, L.L.C. based on their proposal.

Commissioner Archer spoke in support of Avalanche Consulting, Inc. because of their work with Charleston, North Carolina. He stated the JEDO Board would be committed to honor and implement recommendations as best as possible.

Commissioner Cook spoke in support of Garner Economics because he believes the JEDO Board needs an honest review of its functions; promote the economic development message and reassess incentives so companies would remain in the area.

Mayor Wolgast spoke in support of Garner Economics because he preferred their presented plan which was clearly specific to our community and described important tools to move forward.

Councilmember Jensen questioned the need by Garner Economics to start the branding process again when he thought the branding process had already begun in the community.

The substitute motion to select Avalanche Consulting, Inc., and authorize Mayor Wolgast to negotiate a contract to bring back before the JEDO Board for approval failed. Mayor Wolgast, Councilmember De La Isla, Councilmember Coen and Commissioner Cook voted “no.” (3-4-0)

The motion to select Garner Economics, L.L.C., and authorize Mayor Wolgast to negotiate a contract to bring back before the JEDO Board for approval carried. Commissioner Buhler voted “no.” (6-1-0)

APPROVAL of GO Topeka 2014 Financial Statements and Auditor’s Report.

Doug Glenn, shareholder of Mayer, Hoffman McCann, P.C., gave a synopsis of GO Topeka’s 2014 Financial Statement and Auditor’s Report for December 31, 2013 and December 31, 2014. He gave a brief overview of the Financial Position, Statement of Activities, Statement of Cash Flows and Notes to Financial Statements.

Councilmember De La Isla left the room.

Commissioner Cook noted on page 9, Footnote No. 5 “Pledges Receivable” are considered private funds for GO Topeka; page 4 “Statements of Cash Flows: Change In: Pledges Receivable” amount of \$771,606 is the actual amount received in that fund in 2014 and \$419,991 was received in 2013.

Doug Glenn clarified these amounts are private donations by different companies and individuals received for a private campaign to raise funds in support of GO Topeka’s ongoing economic development activities.

Commissioner Archer moved to accept the GO Topeka 2014 Financial Statements and Auditor’s Report as presented. The motion seconded by Councilmember Hiller carried unanimously. (6-0-0)

UPDATE on the 2015 GO Topeka 1st Quarter Report.

Scott Smathers, GO Topeka Interim President and CEO presented the 2015 GO Topeka 1st Quarter Report. He gave a brief summary of New Business Attraction goals and progress; Existing Business and Workforce Development goals and progress and Entrepreneurial and Minority Business Development goals and progress.

UPDATE on the 2015 JEDO 1st Quarter Financial Statement.

Brandon Kauffman, City of Topeka Chief Fiscal Officer, presented the 2015 JEDO 1st Quarter Financial Statement as of March 31, 2015. He gave a brief overview of the Receipts, Disbursements and Bank Balance in the amount of \$2,919,945.60 as of March 2, 2015.

Councilmember Schumm asked if the final payment was made on the Topeka Boulevard Bridge Replacement Project.

Brandon Kauffman stated the final payment would be made in 2016.

Camille Nohe, League of Women Voters President, appeared to speak under public comment. She reported the league was halfway complete of conducting a two year study of JEDO and was pleased JEDO was considering hiring a consultant. She spoke in support of the goals specified in the RFP and appreciates the opportunity to meet with the consultant to provide input.

Joseph Ledbetter appeared to speak under public comment. He commended the JEDO Board on the decision to hire Garner Economics, L.L.C. He expressed concern with GO Topeka and the lack of transparency of their records and noted the community will not cooperate in the process unless there was transparency. He commented on KORA requests he has made to GO Topeka and expressed concern with the lack of communication and noted citizens want to know what GO Topeka has been doing with public funds.

Scott Griffith, GO Topeka Board Chair, appeared to speak under public comment. He commended the JEDO Board for taking the time to evaluate the competitive proposals of very qualified companies. He expressed appreciation to the non-voting members of the JEDO Board for providing their input as it was important to members of the community to hear their views. He reported GO Topeka and the Greater Topeka Chamber of Commerce have met with outside consultants to help evaluate the organizations and move forward as well as the organizations have formed two task forces to gather additional information and will reconvene on June 3, 2015, to discuss the future of each organization.

Lazone Grays appeared to speak under public comment. He distributed a handout of accomplishments he has participated in after the inception of the county-wide half-cent sales tax initiative for economic development and excerpts from the Heartland Visioning Report in 2013 as well as a synopsis of the Step-Up Apprenticeship Training & Employment Program. He stated the accomplishments are building blocks for the future and recommendations to the JEDO Board. He commented on the training module and stated it was a recognized and proven method by the U.S. Department of Housing and Urban Development. He expressed concern with the State of Kansas Welfare Policy, effective July 1, 2015, and asked the consultant to take it into consideration as they conduct the study.

Carol Marple appeared to speak under public comment. She commented on the relationship between GO Topeka and the Greater Topeka Chamber of Commerce and stated she believes many businesses are benefitting from the business development in the community. She noted she has started a project to research how many GO Topeka private investors have received funding from the Greater Topeka

Chamber of Commerce because she believes taxpayers deserve accountability on how tax dollars are spent.

Mayor Wolgast reported he was hopeful to have a contract ready within the next two weeks when the JEDO Board would meet again for consideration of the contract.

No further business appearing the meeting was adjourned at 9:06 p.m.