

**Joint Economic Development Organization Board Minutes
October 19, 2016**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, October 19, 2016.

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, Kevin Cook and Bob Archer, City of Topeka Mayor Larry Wolgast, Deputy City Mayor Michelle De La Isla, City Councilmember Jeffrey Coen, and City Councilmember Sandra Clear. Shawnee County Commissioner Shelly Buhler presided as JEDO Chair.

The following nonvoting JEDO Board member was present: City Councilmember Anthony Emerson.
The following nonvoting JEDO Board members were absent: City Councilmembers Karen Hiller, Sylvia Ortiz, Brendan Jensen, Elaine Schwartz and Richard Harmon.

Others present who presented and/or spoke before the Board:

Jackie Carlson, Director of Business Retention and Expansion for GO Topeka; Joseph Ledbetter; Scott Griffith, GO Topeka Chair, Intrust Bank; Matt Pivarnik, President and CEO of Topeka Chamber and GO Topeka; Carol Marple.

Commissioner Buhler called the meeting to order.

ITEM NO. 3: ACTION ITEM: Approval of Funding Commitment – Project Spencer: GO Topeka staff.

Jackie Carlson, Director of Business Retention and Expansion for GO Topeka appeared to give an overview of the proposed funding commitment request for Project Spencer. The company has indicated they are happy for GO Topeka to release their name today, which is Reser's Fine Foods. Many of them know over the last 25 years Reser's has invested in our community. They have built two manufacturing facilities and expanded both of those multiple times. They have also built a truck shop as well as a state of the art distribution center. They are one of our largest employers; they have over 1,000 people here in Topeka. With this project, this is kind of in the initial stages so they still need to go through rezoning, planning, all of that process as well.

Project Spencer Overview

- East Topeka
- 180 New Jobs
- \$86.5 Million in Capital Investment
- Two Phase Project
 - New Facility
 - Facility Investment
- Phase I – construct new 250-300K Square Foot Facility
 - \$67 Million in capital investment between facility and machinery/equipment
 - 40 new jobs
 - Average annual wage nearly \$25,000 (plus benefits and overtime opportunities)
 - Anticipate completion January, 2018

- Phase II
 - \$19.5 million in capital investment between facility and equipment
 - 140 new jobs
 - Average annual wage nearly \$24,000 (plus benefits and overtime opportunities)
 - Anticipate completion Fall 2019

Proposed Incentives

- Total Maximum Incentives = \$665,000
 - Job creation - \$336,000
 - Capital investment - \$329,000
- Performance based

Impact Analysis

- \$115 million One-Time Economic Impact
- \$92 Million Recurring Annual Economic Impact

Recommendation

- Approve the proposed funding incentive package
- GO Topeka Board of Directors recommended approval on October 7, 2016

Councilwoman Clear asked is Reser's going to close their other building.

Ms. Carlson responded no they are not. This will be a new facility and looking at doing some reinvestment in the other facility.

Mayor Wolgast asked if the \$92 million recurring annual economic impact, that is with the additional jobs. That would be in addition to what they have already provided into the community.

Ms. Carlson responded yes that is correct.

Deputy Mayor De La Isla would like to say thank you to Reser's. We are so excited.

Commissioner Cook stated just to recap, these are the starting wages but employees that start at Reser's and then they move up and they stay with Reser's for quite some time. So while we are looking at just the starting wages, we have to look at the full economic impact of these 180 jobs we are going to have employees that are moving up as they continue with the Reser's family.

Ms. Carlson responded that is correct and also with those jobs they provide us a breakdown. Because the incentive is based on the wages, they gave us a breakdown that "X" number of people will start at various amounts, so that number varies but when we look at a weighted average it was at that \$25,000 range. So there will be people starting in the facilities that start higher than that.

Commissioner Cook made a motion to approve the Funding Commitment as presented. Mayor Wolgast seconded.

The following individuals appeared to speak for public comment:

1. Joseph Ledbetter appeared and stated as a citizen he supports this and he thinks it's a good idea. He really likes the idea that it is creating some east side jobs.

2. Scott Griffith, GO Topeka Chair, Intrust Bank appeared and stated he would like to thank JEDO for considering this recommendation. Reser's as they know has been a longtime corporate citizen employing he thinks closer to 1,300 people today. This is a huge investment that they are making in our community and it is on a part of our community that will be pretty impactful long term. He thinks these jobs, even though the wage is maybe lower than some jobs that we would like to have, they are the gateway for future opportunities and advancements. They will be trained and it will create opportunities for them within Reser's and possibly elsewhere if they don't stay at Reser's long term. And finally you heard the economic impact, it is huge and through the construction activity a lot of companies locally will be part of that process. Thank you for your consideration and your approval of the same is appreciated.
3. Matt Pivarnik, President and CEO of Topeka Chamber and GO Topeka appeared and stated he wanted to read off a few organization names. Ronald McDonald House, CASA, TARC, Sheltered Living, Boys Scouts, youth ball teams across the community, American Heart Association, Sertoma, Capper Foundation, Let's Help, Stormont Vail Foundation, Night Out Against Crime, multiple high schools and grade schools, Fiesta Mexicana. What do you think that might be? Those are organizations that Reser's has contributed to in cash in the last 12 months and that doesn't even include food they have donated all over this community. He had somebody tell him recently that they would rather do five expansions of existing business than ten new businesses any day of the week. Expansions, they are already ingrained in our community, they are very philanthropic with their time and their dollars. He would also like to thank Mark Reser and Jeff Russell and Reser's. He will tell them there are a lot of communities in this country who would give their left arm to have an \$86.5 million investment in their community and have a new facility like we are talking about here. He wants to thank them for their confidence in Topeka and thank them for what they already do. Just very recently they increased their starting wages, it was a significant increase. He just wants to encourage them to approve this and thanks for their consideration.

Following a vote, motion carried unanimously.

Commissioner Buhler stated we will see the contract for this agreement at our December meeting is that correct?

Ms. Carlson responded yes that is the goal, tonight was about approving the funding commitment and our goal is to have the contract finalized through the attorneys and have that on the December JEDO meeting.

ITEM NO. 4: General Public Comment

The following individuals appeared to speak for general public comment:

1. Joseph Ledbetter appeared and stated he attended a military council meeting today, he was invited as a veteran and he appreciates the outreach of the Chamber and GO Topeka on reaching out to veterans and our military. He has talked about this a number of times at the JEDO meetings but we have got to do a better job of reaching out to our veterans. We have about 16,000 veterans in this community; a lot of them are still in the workforce or looking for work. He has heard some pretty bad stories about the way some of our veterans have been treated in this community but he thinks there are a lot of good stories too. He thinks that this outreach is very good and he appreciates that Mr. Pivarnik and others have decided that this is a good thing to do and he thinks it needs to continue.

Next, we have had reports that have been done, we recently just had one done, he got to sit in on some of those committee meetings and then we had the Garner Report last year and he participated in those inputs and studies and the recurring theme is that the City doesn't show well and the City esthetically doesn't show well and it keeps coming back to a lack of code enforcement. A number of years ago the County handled that. He doesn't recall the complaints back then that have been generated in past years about code enforcement. But about a year ago he really started paying more attention to it, moved back into the City and saw firsthand of the result of slumlords moving in to very nice neighborhoods and just trashing them, trashing the housing, trashing the property values of very nice neighborhoods in addition to what had already been done to Hi-Crest West which shows long term systemic lack of attention by code enforcement to make a handful of landlords behave and fix their houses up and do what they are supposed to do.

The reason he is bringing it up to JEDO is this is an economic development problem, he has talked to economic development people and they all say the same thing. This is a big problem if it is not dealt with and Topeka has not done a good job of dealing with it so he is bringing it up because we are dealing with economic development. Now the past manager was trying to get a handle on it and he took him on a tour and, I'm not going to speak for him, but he thinks he was a little taken aback by what he saw. And what you've got to do is get out into these neighborhoods and if you have a district you have got to get into these neighborhoods and see what is going on. You can't just assume that staff is paying attention to what is going on. You have got to see them for yourselves. Because that is the only way you are going to realize what these studies say and have said that the City doesn't show well. We are the Capitol city for crying out loud, let's take some pride and take the bull by the horns and deal with this problem and fix it. It doesn't take a long time but it does take resolve and that's what's key. You have got to have people that are resolved and passionate to fix the problem. If you don't have that, you don't have much of an army.

2. Matt Pivarnik, President and CEO of Topeka Chamber and GO Topeka appeared and stated he wanted to read them something from the Capital Journal. M&M's is going to have a new flavor candy and it will only be manufactured in Topeka. The Mars Topeka factory announced Wednesday caramel flavor M&M's will hit store shelves in May, 2017. M&M's caramel over the past year has invested over \$100 million in Topeka, hiring over 70 associates to support the national launch. Congratulations to JEDO.
3. Carol Marple appeared and stated that was a great vote for Reser's. They are just absolutely the greatest asset to our community. She has been able to work with them on a few things and they are an excellent company to work with. They are so involved in our community and this is just such a win-win for our community there are no words how excited she is about that. On another note she would like to ask is there any update on the proposed incentive to the Goodyear plant? We have 1,300+ jobs involved there and there are a lot of rumors floating around and she just wondered if we were going to get an update on any kind of incentive package for them.

Commissioner Buhler stated that is all she has signed up for public comment and she does not believe at this time they have any kind of update for the incentive with Goodyear. We do have another meeting scheduled for December 14, 2016. That is our regularly scheduled quarterly meeting and we will be looking at Section 1 of the Garner Report as well as our budget for next year. The Mayor and Councilman Coen and she met this morning to prepare for that meeting. She would also like to take this opportunity to remind everyone that JEDO will have a media bus tour on November 9, 2016 from 4pm-8pm and we will be meeting at the downtown Ramada parking lot.

NO FURTHER BUSINESS appearing the meeting was adjourned at 6:20 p.m.