

**Joint Economic Development Organization Board Minutes
December 13, 2017**

City Council Chambers, 214 SE 8th Street, Topeka, Kansas, Wednesday, December 13, 2017.

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

Non-voting Board Members Present: Councilmember Hiller.

Non-voting Board Members Absent: Councilmembers Clear, Ortiz, Jensen, Schwartz and Harmon.

APPROVAL of Minutes from the meeting of September 13, 2017 was presented.

Councilmember De La Isla moved to approve the Minutes of September 13, 2017. The motion seconded by Commissioner Buhler carried unanimously. (7-0-0)

APPROVAL of Industrial Maintenance of Topeka, Inc. (Project Morris) Incentive Agreement was presented.

Molly Howey, GO Topeka Senior Vice President of Economic Development, reported funding for the project was approved in May 2017 by the JEDO Board. She stated the fabrication, installation and maintenance based company employs 52 full-time employees and plans a capital investment of \$2 million resulting in 45 new full-time jobs averaging an annual wage of \$40,000. She stated the proposed incentives are performance based, include a maximum incentive of \$180,000 based on new jobs and investment only and would follow GO Topeka Incentive Guidelines.

Todd Harrington, Industrial Maintenance of Topeka, Inc., stated the company outgrew the facility in Perry, Kansas, and are now located at 4501 NW U.S. 24 Highway. He thanked the JEDO Board for their support.

Commissioner Cook moved to approve the incentive agreement with Industrial Maintenance of Topeka, Inc. The motion seconded by Councilmember Buhler carried unanimously. (7-0-0)

APPROVAL of the Premier Advisory Group, Inc. (Project Leaf) Incentive Agreement was presented.

Jackie Steele, GO Topeka Vice President of Business Retention and Expansion, reported funding for the project was approved in September 2017 by the JEDO Board. She stated Premier Advisory Group serves as an umbrella company for ActionCOACH Business Coaching, Bajillion Agency and MotoVike Films and currently employs 17 full-time employees. She stated

the company plans to add 45 new full-time positions over the next five years averaging an annual wage of \$52,000 with a capital investment of \$2.4 million; proposed incentives are performance based and include a maximum incentive of \$225,000 for job creation only; and an economic impact analysis of \$16 million recurring annually.

Commissioner Archer moved to approve the incentive agreement with Premier Advisory Group, Inc. The motion seconded by Councilmember De La Isla carried unanimously. (7-0-0)

PRESENTATIONS:

- A. GO TOPEKA QUARTERLY REPORT was presented by Matt Pivarnik, GO Topeka President and Chief Executive Officer.
- NEW BUSINESS ATTRACTION was presented by Molly Howey, Senior Vice President of Economic Development.
 - BUSINESS RETENTION & EXPANSION ACTIVITY was presented by Jackie Steele, Vice President of Business Retention and Expansion.
 - ENTREPRENEURIAL & MINORITY BUSINESS DEVELOPMENT was presented by Glenda Washington, Senior Vice President of Entrepreneurial & Minority Business Development and Kristi Dunn, Procurement Technical Assistance Center (PTAC) Director.
 - BAAFTECH TASKFORCE (Bioscience/Ag/Animal/Financial Tech) was presented by Glenda Washington, Senior Vice President of Entrepreneurial & Minority Business Development and Dr. Kevin Hahn, Founder and Director of BioTopeka.
 - WORKFORCE & EDUCATION was presented by Barbara Stapleton, Vice President of Workforce & Education Development and Gabriel O'Shea, Forge Executive Director.
 - MOMENTUM 2022 was presented by Kayla Bitler, GO Topeka and Greater Topeka Chamber of Commerce Strategic Coordinator.
- B. 712 INNOVATIONS was presented by Karen Lane Christilles, 712 Innovations Executive Director and Zach Snethen, 712 Innovations Management Chair.
- C. TRANSPORTATION INITIATIVE was presented by Susan Duffy, Topeka Metropolitan Transit Authority (TMTA) General Manager and Jim Ogle, TMTA Board Chair.
- D. JEDO FINANCE COMMITTEE 2ND QUARTER FINANCIAL REPORT was presented by Nickie Lee, City of Topeka Administrative and Financial Services Director and JEDO Finance Committee Treasurer.

In response, JEDO Board members asked the following questions:

1. Questioned the request to increase 712 Innovations operating budget by \$25,000 due to loss in revenues over the last few years?
2. Questioned if the current space being utilized by 712 Innovations could handle projected growth?

3. Questioned if the Transportation Initiative would be available in other areas of the community in addition to the South Topeka Industrial Corridor?
4. Questioned why funding has been requested from JEDO for the Transportation Initiative?
5. Questioned if TMTA could provide the Transportation Initiative service as an alternative to services already being provided?

Karen Lane Christilles reported the increase to the budget for 712 innovations would be to cover programming costs as the program grows. She noted they plan to increase fundraising efforts to help address the budget shortfall.

Zach Snethen reported on the needs of a co-working environment and the importance of collaborating with other community partners to help make the programs more successful.

Susan Duffy reported only the South Topeka worksites are being offered the Transportation Initiative at this time. She noted many businesses located outside city limits have trouble retaining employees due to unreliable transportation; however, the program has the potential to expand to other parts of the city as well as there may be TMTA funding available to use if program participation remains high.

Jim Ogle stated the program would positively impact economic development in the community as it would offer a cost effective program to help businesses retain good workers.

APPROVAL of the Growth Organization of Topeka/Shawnee County, Inc. 2018 Annual Business Plan and Budget was presented.

Molly Howey, GO Topeka Senior Vice President of Economic Development, highlighted the GO Topeka 2018 Annual Business Plan and Budget. Significant forecasted assumptions were summarized as follows:

- An estimated 12% increase for employee health insurance
- The 2018 budget was based on 3.9 full-time employees, excluding 2.5 Entrepreneurial & Minority Business Development full-time employees - due to outsourced marketing
- The net Entrepreneurial & Minority Business Development program income is \$462,265 including salaries, taxes and benefits for 2.5 full-time employees totaling \$211,015 in 2018 and \$156,914 in 2017
- New Workforce Initiatives include \$2.75 million for the East Topeka Learning Center, \$111,000 for the Broadband Initiative and \$70,000 for the Transportation Initiative
- New Business Initiatives includes \$300,000 for the Small Business Incentive Program

Commissioner Archer referenced the Greater Topeka Partnership (GTP) collaboration. He questioned the request to increase funding and noted many of the organizations within the GTP would combine departmental staff and duties.

Molly Howey stated she believes the collaboration would benefit from hiring administrative and financial staff members while centralizing marketing departments with the intent to utilize the skills within the partnership.

Commissioner Archer asked if the organizations within GTP plan to share the funding of financial staff members.

Molly Howey reported many elements factor into the amount of services that would be shared and each organization within the partnership would fund a portion of the senior financial officer position. She stated GO Topeka will make a more solid determination on budget numbers as they move forward with the partnership; however, at this time GO Topeka believes funds are distributed fairly.

Rachel Ono, Mars Chocolate North America Representative, spoke in support of the Transportation Initiative and the role it would play in growing businesses, supporting leadership and the community.

Commissioner Archer asked if Mars would consider subsidizing the Transportation Initiative.

Rachel Ono stated Mars would be willing to discuss the matter for consideration.

Nick Xidis, Hazel Hill Chocolates, spoke in support of 712 Innovations and the need to support small companies in the community. He commented on the programs and space available at 712 Innovations to companies that do not have the space or resources to grow.

Marge Ahrens expressed concern with the GTP collaboration and Wheatfield Village development. She requested more details on the GO Topeka budget.

Stan McAdoo, JUMP representative, spoke in support of the South Topeka Workforce Access Program to assist people with accessibility for reliable transportation to the South Topeka Industrial area.

Councilmember Coen moved to approve the 2018 GO Topeka Annual Business Plan and Budget. The motion was seconded by Councilmember De La Isla.

Commissioner Archer moved to delete \$70,000 from line item “New Workforce Initiatives” (footnote #4, transportation) of the Growth Organization of Topeka/Shawnee County, Inc., Forecasted Statement of Receipts and Disbursements – Cash Basis. The motion died due to a lack of a second.

The motion to approve the GO Topeka 2018 Annual Business Plan and Budget carried. Commissioner Archer voted “no.” (6-1-0)

APPROVAL of GO Topeka 2017-2018 Cash Carry-Forward Agreement was presented. (Contract No. C-05-2017)

Molly Howey, GO Topeka Senior Vice President of Economic Development, highlighted the funds under consideration in the 2018 Cash Carry-Forward Agreement. She stated the funds would allow for the following:

- Reserve funds for incentive commitments.
- Carry over unspent funds of the required 10% of sales tax funds to be used for Entrepreneurial & Minority Business Development.
- Allocate funds for the East Topeka Learning Center facility.
- Set aside funds for a fire station and/or Kanza Fire Commerce Park improvements as required by the Mars Chocolate contract.
- Earmark funds for the completion of the SW 49th Street Improvement Project.

In response, JEDO Board members questioned the following:

- If the \$2,578,700 (Remaining for future investment) could be allocated for Kansas Expocentre upgrades
- The priorities for Quality of Place (\$2 million)
- Questioned carrying over taxpayer funds when the intent was to invest the dollars back into the community.

Molly Howey reported staff continues to be challenged with meeting criteria to determine a future project to present to the JEDO Board for consideration. She noted site selection remains one of the top five categories companies seek when looking for an appropriate business site.

Mike Morse, Kansas Commercial Team, stated the goal would be to attract and retain people to help grow the community. He commented on previous inner-city visits and how some cities have retained and incentivized companies to locate in their communities.

Kristi Rockey, Mars Chocolate North America Recruiting Manager, stated quality of life remains an important factor in job recruitment and retention. She commented on the exciting initiatives already happening in Topeka and the impact on attracting young millennials.

Joseph Ledbetter spoke in support of the Cash Carry-Forward Agreement and encouraged discussion on infrastructure and how it relates to quality of life issues. He expressed concern with the “Remaining for future investment” of \$2,578,700 and stated he hopes the money would be invested back into the community quickly.

Commissioner Buhler moved to approve the 2017-2018 Cash Carry-Forward Agreement. The motion seconded by Councilmember De La Isla carried. Commissioner Archer and Councilmember Coen voted “no.” (5-2-0)

DISCUSSION on the East Topeka Learning Center (ETLC) Project was presented.

Glenda DuBoise, East Topeka Learning Center Taskforce Chair, highlighted the design process, market study, expenditures to date and New Markets Tax Credits (NMTC). She stated Columbia Capital has reported a tax bill was approved eliminating NMTCs in 2017; however, it would keep the program intact.

Councilmember Emerson asked if plans have been reviewed and if permitting would occur in early 2018.

Barbara Stapleton, GO Topeka Workforce & Education Vice President, reported the designs have been released for bid and a meeting has been scheduled to finalize plans.

Commissioner Archer asked what the market survey reported on course demand and participation in the program.

Glenda DuBoise stated the report would be presented December 15, 2017, to the ETLC Taskforce. She noted she would be stepping down as the ETLC Taskforce Chair and Lalo Munoz would now serve as ETLC Taskforce Chair and Marcus Clark would serve as Taskforce Co-Chair.

DISCUSSION on the Broadband Initiative was presented.

Gina Millsap, Broadband Task Force member and Topeka & Shawnee County Public Library Chief Executive Officer, provided an update on the Broadband Initiative to date. She highlighted the items the Task Force plans to address in the 1st quarter of 2018 would include.

Kurt Kuta, CoreFirst Bank & Trust President & CEO, thanked the JEDO Board for their service to the community. He encouraged continued discussions to help clarify economic development plans and gain community support.

Marge Ahrens suggested the Topeka Governing Body and Shawnee County Commissioners meet once a month to discuss economic development incentives and the needs of the community. She stated the meetings could enhance public input and help understand economic development and how it impacts the community.

No further business appearing the meeting was adjourned 8:36 p.m.