



# **Economic Development**

**2<sup>nd</sup> Quarter 2015**

**Report to JEDO**



GO Topeka staff worked in the second quarter of 2015 to achieve the annual goals set and to ensure continued economic development success for Topeka and Shawnee County.

The New Business Attraction program during the second quarter met with 77 site location consultants and corporate real estate professionals in face to face meetings. Additionally, staff hosted 2 in-community site visits. During the second quarter, staff worked with 10 new prospects resulting in 2 formal incentive proposals. The current portfolio of New Business Attraction projects, at the end of the first quarter includes 24 projects, capturing potential for 5,243 new direct jobs and \$1,127,000,000 in new capital investment. Leads and prospects are being developed on an ongoing daily basis.

The Existing Business and Retention program made 43 visits in the second quarter of 2015 and is currently working on 9 active projects; which, based upon data received to date, represents \$125,000,000 in new capital investment, and 135 direct new and retained jobs. 3 annual audit verifications were completed with 3 additional audit verifications begun. Project Cedar was completed with up to 17 new jobs, 220 retained jobs and up to \$20 million invested. Efforts continue toward meeting and educating local businesses of resources available within the community.

Workforce Development initiatives and efforts also continue. High school students' will participate in the Certified Production Technician (CPT) training, which is eligible for the Excel in Career Technical Education (CTE) Initiative (SB155) to foster workforce preparedness upon graduation. The scholarship program with Washburn Tech for the completed 2014/2015 academic year brought the total number of awards for fall and spring to 61 and the total amount awarded to \$33,000. Collaboration efforts between industry and Washburn Tech have also progressed; additional marketing efforts on behalf of the railroad diesel technology program have succeeded in a current enrollment of 19 students.

Other efforts in the workforce development area included additional discussions regarding programs that would assist Veterans at Washburn and Washburn Tech, meetings with the Workforce Center, a program involving the reintegration of previously incarcerated individuals and Manufacturers in the Classroom scheduled for USD 501 juniors and seniors and USD 437 seniors in career technical education (CTE) programs, both during the fall semester.

Second Quarter offered a significant amount of exposure for small businesses in Topeka. With an aggressive goal to advance the growth and development the small business community, Entrepreneurial and Minority Business Development (EMBD) continued to unveil programs and opportunities aimed at supporting the emergent of new and existing small businesses.

Efforts included listening sessions and business roundtables for the African American and Hispanic Business owners, enhancing the platform for business access by creating stronger purchasing relationships, conducting site visits, promoting the TSCFOF and filling the gap as it relates to providing access to capital.

The following report gives much more detail as to all of the accomplishments and results of GO Topeka staff for the second quarter 2015.

**New Business Attraction**  
**Team Leader: Molly Howey**

**GOAL 1:** Create substantial prospect activity through suspect lead generation and servicing new qualified projects that have a high level of interest in Topeka/Shawnee County.

**Goal 1.1:** Development of 40 new prospects (viable project generation, sites/buildings proposal submitted)

Progress 1<sup>st</sup> Quarter

- 6 new prospects

Progress 2<sup>nd</sup> Quarter

- 10 new prospects

**Goal 1.2:** 12 new qualified projects (formal incentive proposals and/or prospect visits)

Progress 1<sup>st</sup> Quarter

- 1 prospect visit with formal incentive proposal

Progress 2<sup>nd</sup> Quarter

- 2 formal proposals
- 2 in-community site visits

**Goal 1.3:** 235 personal contacts with Site Consultants and National Corporate Realtors over course of year (face to face meetings)

Progress 1<sup>st</sup> Quarter

- Face to face meetings with 51 site location consultants and national corporate realtors at Team Kansas events, SelectUSA, Southern Economic Development Council, Mid-America Economic Development Council and one-on-one meetings.

Progress 2<sup>nd</sup> Quarter

- Face to face meetings with 77 site location consultants and national corporate realtors at Team Kansas events, Business Facilities LiveXchange, Industry Week Roundtable, Industrial Asset Management Council Council and one-on-one meetings.

**GOAL 2:** Generate new community and individual wealth and prosperity through new capital investments and new/retained primary jobs that pay the average wage or higher for Shawnee County and provide health insurance for the employees.

**Goal 2.1:** Attract new capital investment (new and expanding primary employers)

Progress 1<sup>st</sup> Quarter

- As of March 31, 2015 Current GO Topeka Portfolio of New Business Attraction Prospects/Projects includes:

34 Projects  
\$1,147,000,000 Potential capital investment

- As of March 31, 2015 Current GO Topeka Portfolio of Existing Business Prospects/Projects includes:  
8 Projects  
\$30,200,000 Potential capital investment

Progress 2<sup>nd</sup> Quarter

- As of June 30, 2015 Current GO Topeka Portfolio of New Business Attraction Prospects/Projects includes:  
24 Projects  
\$1,127,000,000 Potential capital investment
- As of June 30, 2015 Current GO Topeka Portfolio of Existing Business Prospects/Projects includes:  
9 Projects  
\$125,000,000 Potential capital investment

**\*\*FHLB – approximately \$23.5M in capital investment**

**Goal 2.2:** Attract new primary jobs (new and expanding primary employers)

Progress 1<sup>st</sup> Quarter

- Current GO Topeka Portfolio of New Business Attraction Prospects/Projects includes:  
5,438 potential direct jobs
- Current GO Topeka Portfolio of Existing Business Expansion Prospects/Projects Includes:  
120 potential direct jobs

Progress 2<sup>nd</sup> Quarter

- Current GO Topeka Portfolio of New Business Attraction Prospects/Projects includes:  
5,243 potential direct jobs
- Current GO Topeka Portfolio of Existing Business Expansion Prospects/Projects Includes:  
135 potential direct jobs

**\*\* R&R Pallet Inc. – 17 new jobs**

**\*\*FHLB – 17 new jobs over the next five years**

**Goal 2.3:** Increase the per capita income in Shawnee County over time by adding new jobs to the community that pay at least the Shawnee County average or their specific industry average wage.

Current average: \$42,900 (2014 Fourth quarter, most recent available)

Source: Kansas Department of Labor, Bureau of Labor Statistics)

Progress 1<sup>st</sup> Quarter

- Current GO Topeka Portfolio of New Business Attraction and Existing Business Expansion Prospects/Projects includes:  
Average projected wage of \$41,923 based on data received from Prospects/Projects to date

Progress 2<sup>nd</sup> Quarter

- Current GO Topeka Portfolio of New Business Attraction and Existing Business Expansion Prospects/Projects includes:  
Average projected wage of \$42,970 based on data received from Prospects/Projects to date

**Additional Attraction Actions Implemented in 1<sup>st</sup> Quarter 2015**

- Staff attended the Kansas Economic Development Alliance Legislative Day to hear about relevant topics being discussed in the 2015 session.
- Selection of the new marketing agency for GO Topeka's marketing materials.
- Selection of the agency for the development of a new and improved website for GO Topeka.
- Completed Target Industry Study and revised targets for attraction efforts.
- Met with consultants at Mid-America Economic Development Council.
- Co-hosted consultant event in Kansas City for area consultants.
- Attended the SelectUSA conference to meet with international site consultants.
- Co-hosted consultant event in Atlanta for area consultants.

**Additional Attraction Actions Implemented in 2<sup>nd</sup> Quarter 2015**

- Staff co-hosted a private meeting with five national site consultants along with the Kansas Department of Commerce while at the IAMC conference.
- Met individually with 9 site consultants and Industry Week Roundtable.
- Met with 13 site consultants individually at Business Facilities LiveXchange.
- Continued work on the new organization website and marketing collateral.
- Worked with new small business to locate in Topeka in the Topeka Regional Business Center.

**Existing Business and Workforce Development**

**Team Leader: Barbara Stapleton**

**Goal 3: Increase contact with existing businesses and top employers and provide support for primary employers to retain and/or add jobs. Provide education and training for workforce to support existing business, with an emphasis on primary employers that will enhance their operations and sustainability in Topeka/Shawnee County.**

**Goal 3.1:** At Least 120 business visits including top 40 employers (mandatory to qualify). Visit inputs will be recorded on a consistent format and reported to the CEO and VP on a quarterly basis.

Progress 1<sup>st</sup> Quarter

- 16 business visits were conducted in the first quarter of 2015. Of those visits, 8 consisted of major employers.

Progress 2<sup>nd</sup> Quarter

- 43 business visits were conducted in the second quarter of 2015. Of those visits, 22 consisted of major employers.

**Goal 3.2:** Provided assistance to companies needing help. Assistance includes providing resources, referrals, problem solving, and expansion assistance.

Progress 1<sup>st</sup> Quarter

- Staff is currently working to assist 8 companies, of which 1 was opened in the first quarter of 2015.

Progress 2<sup>nd</sup> Quarter

- Staff is currently working to assist 9 companies, of which 5 projects were opened in the second quarter of 2015 and 2 closed as wins. (FHLB & R&R Railroad Pallet Inc.)

**Goal 3.3:** Aid Topeka/Shawnee County residents in acquiring workforce training that improves their skill set and meets local company job demands. This assistance must involve organizational assistance, funding, planning, or marketing the program.

Progress 1<sup>st</sup> Quarter

- WorkKeys testing has been completed for 2014-2015 school year. Testing scores are being compiled and will be presented to each school district in late May at the post WorkKeys Counselor Meeting.
- The Washburn Institute of Technology scholarship program awarded 14 awards for the spring semester.

Progress 2<sup>nd</sup> Quarter

- Provided assistance in marketing the new railroad diesel tech program which has 19 students enrolled.

**Additional Existing Business and Workforce Development Activities Implemented in 1<sup>st</sup> Quarter 2015:**

**Existing Business:**

- Meetings continue for the planning of the Financial Services Summit, tentatively scheduled for September 23.

**Workforce Development:**

- Moving forward with Manufacturers in the Classroom development, will have updated presentation in the schools by the beginning of the fall semester

- The M-TECH program is now targeted within the Certified Production Technician (CPT) training, which is eligible for the Excel in Career Technical Education Initiative (SB155).
- Initial meeting conducted with Washburn University and Washburn Institute of Technology for the development of the Veteran’s program

**Additional Existing Business and Workforce Development Activities Implemented in 2<sup>nd</sup> Quarter 2015:**

**Existing Business:**

- Meetings and coordination continue for the Financial Services Summit, scheduled for September 23.
- Planning has begun for the Manufacturers and Distribution Roundtable for General Managers, Plant Managers and HR/Talent Managers, scheduled for September 29
- Staff continues to attend monthly Sales & Management Executives of Topeka meetings to maintain current knowledge of the local business environment.

**Workforce Development:**

- Manufacturers in the Classroom development continues, the updated presentation is complete. Have met with USD 437 and USD 501 to schedule presentations during the fall semester.
- Have begun development of emPOWER your Future, a similar presentation for high school students which showcases energy/power employers in the community.
- Meetings continue with Washburn University and Washburn Institute of Technology for the development of the Veteran’s program.
- Attended meetings with the Topeka Workforce Center and the Netreach Task Force to address unemployment and poverty issues within the community.

**Entrepreneurial and Minority Business Development**

**Team Leader: Glenda Washington**

**Goal 4: Increase the knowledge and capacity of minority- and women-owned businesses as well as starting or growing Shawnee County entrepreneurs through education, training, development and support services. Entrepreneurial & Minority Business Development (EMBD) and Topeka Shawnee County First Opportunity Fund (TSCFOF) will work to build capital led and educational strategies to fill critical gaps for the underserved entrepreneur, by increasing the number of loans made, providing entrepreneurial education and assisting creation of entrepreneurial jobs.**

**Goal 4.1 Increase training/educational/entrepreneurial opportunities annually for minority, women-owned businesses, entrepreneurs and small businesses.**

Progress 1<sup>st</sup> Quarter

The first Quarter training consisted of workshops and classes for the new existing business owners. A variety of trainings and presentations in marketing, strategic

planning, startup, finance and other outreach areas allowed EMBD to interact, inform and educate more than 206 individuals about the Entrepreneurial and Minority Business Development programs.

- A four week Strategic Planning Series was conducted by Dr. Norma Juma, Professor at Washburn University. The attendees performed a SWOT analysis on the businesses. The course guided the attendees in defining strategic planning as it related to their company, determine how they should be engaged in their company's growth, detailed the difference in the business plan and strategic plan; the course also covered effective marketing, advertising and identified ways to uncover innovation in their individual industries.
- The first Kauffman New Venture class this year began in March. This group of 12 potential entrepreneurs has traditional and nontraditional ideas on creating new small businesses.
- The Breakfast Buzz provided education on Effectively Marketing Your Brand using social media. The information educated the audience on the importance of using the modern day marketing tools. More than 50 small businesses attended this event.
- The EMBD met, collaborated and/or provided education and outreach with several organizations during first quarter – they included the NAACP, US Small Business Administration, KTWU, Hermanitas, Buffalo Soldiers, USD 501, ABWA, and Net Reach (Highcrest).

#### Progress 2<sup>nd</sup> Quarter

##### **Listening Sessions**

- EMBD held three Listening Sessions with several of Topeka's minority entrepreneurs. The groups provide insight on real and perceived barriers to growth. They included the following:
- First, access to capital was immediately identified as a significant barrier. Discussion focused on credit requirements and lack of flexibility as it relates to banks and other lenders, including the First Opportunity Loan Fund. Second, generational sharing was identified as a "gap" by one of the participants. Mentors are needed to provide direction and support to these fledgling businesses. The third gap identified by these groups was the fragmentation. The discussion led to individuals emphasizing the critical importance of collaboration amongst minority owned businesses to mutually fortify them when seeking opportunities on a larger scale. Finally, guidance in adopting advanced business strategies and education was identified as being critical to the success of these businesses.

Items to be addressed in the future include:

- Collaboration and Spending within – supporting minority owned businesses and identifying opportunities to collaborate to make a bigger impact.



- Farmers Market/Business – Either organize or join an existing farmers market or expo to increase their client base.
- Effective marketing – identifying ways to appeal to the market outside of their community.
- Gaining TRUST – a major factor causing the lack of growth in the black business community.

#### **Site Visits**

- The EMBD staff conducted site visits of several small businesses this quarter. The goals for these visits were to identify concerns, determine how and if they were growing and to identify resources that could support their growth. The visits uncovered a number of needs. It is a true indicator that the economic recovery has created growth opportunities for these businesses; however, there is concern about the potential rapid rate of growth. As a result, the EMBD will begin hosting growth roundtables to discuss topics specific to growing existing businesses in Topeka.

#### **Small Business Week and Awards**

- The role that small business played in boosting our economy was front and center during the national celebration of Small Business. A month long calendar of events celebrated, educated, supported and provided platforms across the County directed to strengthening our small business position.
- In May, Topeka celebrated four outstanding small businesses from various spectrums at the 35<sup>th</sup> Annual Small Business Awards. The awardees were selected from the following categories: The Emerging Entrepreneur, Nonprofit of Distinction, Minority and Women Owned Business of Distinction and Capital City Business of Distinction.
- Cash Mobs created a buzz during the two week of small business celebrations! The Mobs served business drivers and encouraged the community to spend locally and with small businesses whenever possible. EMBD partnered with the Washburn Small Business Development Center, 712 Innovations, Downtown Topeka, Fast Forward and SCORE to host the Cash Mobs. Workshops and activities conducted by these partners were also incorporated into the calendar of events.

### **Goal 4.2 Increase the number of applications received by TSCFOF during FY-2014 year.**

#### **Progress 1<sup>st</sup> Quarter**

- EMBD presented three loan applications to the TSCFOF this quarter; however, none of the loans were approved. The Loan Committee is made up of bankers and entrepreneurs. This allows for a non bias opinion when viewing the loan packages. In an attempt to grow the pipeline for this fund, outreach for the loan fund is nonstop. The TSCFOF has begun receiving referrals from a few banks in the community as well.

#### **Progress 2<sup>nd</sup> Quarter**

- Access to capital continues to be a critical point of discussion when considering the growth and advancement of Topeka's small businesses. The TSCFOF loan

fund serves to fill a portion of the void that the inability to access capital in the traditional market creates. Though it is not the final answer, TSCFOF has seen steady activity in the past few months and has begun disbursing funds to qualified candidates. EMBD has continues to promote the program as an alternative small business funding source in Shawnee County.

**Goal 4.3 Collaborate with local and state agencies and corporations to host a Purchasing and Procurement Conference.**

Progress 1<sup>st</sup> Quarter

- In January, GO Topeka’s EMBD co hosted a workshop in collaboration with USD 501. The Doing Business with USD 501 workshop was well attended with more than 150 in attendance. This Workshop provided details on the upcoming RFPs for the project, certification and shared a two-year project time for the workshop.

Progress 2<sup>nd</sup> Quarter

- EMBD and the Department of Commerce hosted a purchasing and procurement forum that afforded small businesses the opportunity to meet buyers from USD 501, GSA, VA, Metro Topeka Transit Authority and Westar Energy. Businesses had the opportunity to learn about the individual certification processes required in order to bid on products, projects and services from these companies