

# The University of Kansas

Policy Research Institute

June 28, 2006

Dave Corliss  
Interim City Manager  
6<sup>th</sup> and Massachusetts  
PO Box 708  
Lawrence, Kansas 66044

**RECEIVED**

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CITY MANAGERS OFFICE  
LAWRENCE, KS

RE: Contract for Economic Development Research

Dear Mr. Corliss,

As you know, PRI's contract with the Lawrence Chamber of Commerce and the City of Lawrence to provide economic development research ends 30 June 2006. Included in this letter is an outline of our research plan for FY 2007 (01 July 2006 – 30 June 2007). We hope that the research outlined meets your needs. If you agree to the outlined research, please indicate by signing below and returning this letter to me.

Funding in the amount of \$6,000 is requested from the City of Lawrence and funding in the amount of \$9,480 is requested from the Chamber of Commerce to support this project another year.

## **Research Outline**

1. Collect and submit data on Lawrence prices to ACCRA (formerly American Chamber of Commerce Researchers Association). The data appears in ACCRA's national publication and are used by firms and individuals who are considering relocation. In fact, the ACCRA data are the only data on price levels for most U.S. cities.
2. Collect, analyze, and report economic and demographic data on Lawrence and Douglas County. The data and corresponding analysis will be presented in four quarterly 'barometer' reports. We will work with the City and Chamber to revise the format. The new format will be used starting with the Second Quarter, September 2006 report. In addition to the barometer reports, we will also provide data to the Chamber for the Chamber's website and other requests and data to the City's Finance Director as needed.
3. Perform routine annual maintenance on the tax abatement model. In FY 2006, discussion occurred to explore the possibilities for enhancement of the tax abatement model. Therefore, PRI, under a separate agreement, will submit a proposal to revise the model significantly. Until the model is revised, we will respond to requests for a tax abatement utilizing the current model.
4. Conduct community comparison studies to enhance the economic development efforts of Lawrence. PRI will conduct a study on economic development efforts of comparable communities in Kansas that will focus on financing and budgets for economic development. The study will include 10 – 15 comparable communities selected in consultation with the Chamber. PRI will also provide data to the Chamber for community cost comparison studies upon request. The data for the community cost comparisons will vary with each request and may include population, workforce, income, operation cost, and quality of life data that are available from public sources. It will be the Chamber's responsibility to gather data from proprietary sources. Included with the data will be an explanation

about the data. PRI will perform a maximum of 5 community cost comparison studies. Additional requests will be charged an additional fee of \$250 per study.

#### **Tax Abatements**

5. Perform tax abatement analyses as requested. PRI generally performs two to four such analyses per year. The fee is paid to PRI by firms requesting abatements. The fee for FY 2006 is \$750 per abatement, to be paid by the requesting firm.

#### **Budget Summary**

The table below summarizes the research budget by task. The budget does not include University of Kansas overhead, which is normally charged on research contracts but has been waived for this project again in FY 2007.

#### **Economic Development Research for the City of Lawrence and the Lawrence Chamber of Commerce FY 2007**

##### **COST**

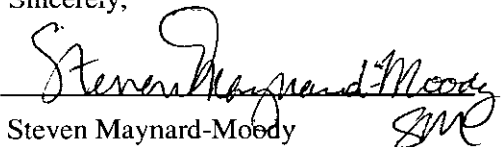
Task 1	ACCRA Price Index	\$2,747
Task 2	Quarterly Economic Barometer Reports and Other Data Requests (Economic Barometer, Website, and Other Data as needed)	\$6,084
Task 3	Tax Model Annual Maintenance	\$1,135
Task 4	Community Comparison Studies (Economic Development Budget and Funding and Cost Comparison Reports)	\$5,514
Task 5	Tax Abatement Requests (\$750 per request to be paid by applicant)	--
	<b>TOTAL COST</b>	<b>\$15,480</b>

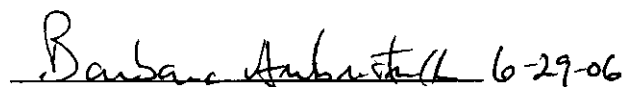
##### **REVENUE**

Funding requested from the City of Lawrence	\$6,000
Funding requested from Lawrence Chamber of Commerce	\$9,480
<b>TOTAL REVENUE</b>	<b>\$15,480</b>

Please feel free to talk with me at any time concerning this agreement of the research plan for FY 2007. We look forward to working with you.

Sincerely,

  
Steven Maynard-Moody  
Director, PRI

 6-29-06  
Barbara J. Armbrister  
Director, Research Administration  
University of Kansas Center for Research

Approved:

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Dave Corliss  
Interim City Manager  
City of Lawrence

Date