

January 30, 2008

David Corliss, City Manager City Hall P. O. Box 708 Lawrence, KS 66044

Re: 2007 4th Quarter DLI Report

Dear David:

As one would expect, the 4th quarter has been a busy one for Downtown Lawrence, Inc. Here is a rundown of some of the things we accomplished.

Community Events

The second annual Fall Bazaar was held October 27th, not only giving merchants an opportunity to display new Fall offerings on the sidewalks but providing the community with several activities including participating in the KU Homecoming Committee's "Stuff The Bus" effort to collect non-perishable food, craft activities for children, juggling demonstrations and street entertainers. We were blessed with great weather and a steady stream of people strolling and shopping on Mass Street.

The Halloween window painting was very successful with more children designing and more merchants providing window space. DLI helped underwrite the event with a cash contribution that enabled Parks and Rec to eliminate the fee for participants and still provide each person with a t-shirt. The sidewalks were packed for the annual Trick or Treat on Mass.

The Holiday Lighting Ceremony received several upgrades including better lighting, sound and staging, more musical entertainment on the sidewalks prior to the ceremony and better crowd control for children visiting Santa Claus.

We did our best to make the most of the Border Showdown by hosting a watch party for the KU-MU game, projecting the live broadcast onto the north wall of the New Hampshire Street parking garage. This would not have been possible without the enthusiastic support and tireless efforts of Frank Reeb and other City staff members who helped expedite the approval of the ordinance.

Inspite of miserable weather, the Old Fashioned Christmas Parade trotted up Mass Street to the cheers of a small, but enthusiastic crowd. Merchants were encouraged to take advantage of a somewhat captive audience by offering hot drinks and a welcome respite from the weather. DLI has begun to develop a parade day "best practices" list David Corliss, City Manager January 29, 2008 Page Two

that will be circulated to the merchants to help them plan strategies for turning parade watchers into shoppers. DLI will promote the idea that if Downtown merchants reach out to parade watchers and make them feel welcome, they will return to shop.

Downtown Marketing

The new Downtown Lawrence Map and Visitor Guide rolled off the press and was immediately distributed by direct mail to 10,000 households within a 75 mile radius of Lawrence in the week before Thanksgiving. The remainder of the holiday edition was distributed to member merchants along with a counter display to facilitate distribution to shoppers. A second edition for winter/spring was printed at the same time with some distribution to merchants beginning the week before Christmas. Merchants will continue to receive supplies throughout the next six months as will the Visitor Center, KU Visitor Center and Douglas County Bank for distribution with gift certificates.

We placed a significant amount of advertising in the 4th quarter to promote the Holiday Lighting Ceremony, Old Fashioned Christmas Parade, Gift Certificate sales and Downtown holiday shopping in general. This included space placements in the Journal World, Kansas Public Radio and KCPT.

We have begun a new initiative to bring people Downtown through a unique partnership with KU School of Architecture and Urban Design. Professor Emeritus Dennis Domer and Associate Dean Michael Swann have put together a special class offering for the Spring semester. Students will examine the history and architecture of Downtown Lawrence and the economic factors that have effected building and development in Downtown Lawrence and in small cities around the country. Students will undertake a comprehensive analysis of the architecture not only of Mass Street, but the adjoining alleys as well. They will interview business and property owners as well as other stakeholders in Downtown. From this research and analysis, they will develop walking tours that will be offered to the public throughout the Summer and Fall of 2008.

Business Expansion and Retention

A new quarterly newsletter publication made its debut at the end of the 4th quarter. The "Heart Beat" is distributed to members as well as non-member businesses located in the Downtown footprint. The newsletter offers information about upcoming events, issues concerning Downtown, new projects and a profile of one of the historic buildings.

We have taken several steps to promote the success and growth of existing Downtown businesses. In partnership with the KU Small Business Development Center, the weekly e-news features brief articles with tips from Will Katz, Director of KUSBDC, designed to encourage business owners to seek out the assistance of KUSBDC. Will also writes more in-depth articles for the new Quarterly Newsletter.

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At the request of a property owner, our director, Jane Pennington, contacted a potential tenant to encourage them to bring their business Downtown and offer the assistance of DLI. In part as a result of this, we are pleased to welcome Old World Pottery as a new Mass Street merchant.

Membership renewal applications were distributed in December and have been rolling in at a good pace. We anticipate a very high percentage of renewals.

Work Plan 2008

We finalized our Work Plan for 2008 and submitted it to City staff for additional discussion. While the plan is very ambitious, we are confident that the board and Ms. Pennington will make great progress toward our goals. We await approval by the City Commission and a new Agreement for the Use of City Funds.

Please let me know if you have any questions. I have attached our current financial statement for your review.

Sincerely,

Dan Hughes President

Board of Directors

Downtown Lawrence, Inc.

CC.

Diane Stoddard Cynthia Boecker