



April 30, 2008

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

Re: 2008 1st Quarter DLI Report

Dear Dave:

DLI is off to a great start for 2008. We have started some exciting new initiatives while continuing the successes of the past. Here are some of the highlights:

Membership Expansion & Retention

- Communication – We have transitioned to a new electronic format for the weekly communications with members that is receiving very positive feedback and have made it available to non-member businesses to help expand our membership. This, combined with new membership marketing materials and consistent contact with potential new members has resulted in 6 new members.
- Membership Campaign – By the end of the first quarter, 75% of all 2007 paid members had renewed.

Coop Promotional Projects

- Downtown Map and Visitor Guide - We began distribution of the newest edition of the map and visitor guide and have been soliciting feedback from members and users to make improvements for upcoming editions.
- Periodic Promotions – We have begun some very preliminary discussions with an agency that specializes in destination branding, forming a partnership with the CVB to explore the value of embarking on a branding exercise. The Marketing and Promotions Committee has been examining the variety of options of advertising that is available to create a comprehensive schedule and budget.

Community Events and Downtown Activities

- Sidewalk Sale – We explored our options for gaining control of the sidewalks to protect DLI's investment in this event and to ensure that it continues to be a motivation to join DLI.
- Film Festival – The schedule has been set, permissions secured and sponsorship solicitation has begun. We are again partnering with Parks and Rec and 9-10 LC and have developed some new benefits for sponsors. Our film choices are still of the film noir genre but have much greater name recognition and more star power that should increase attendance significantly. We are also partnering with the

presenters of the Civil War On The Western Frontier activities to present a screening of the John Wayne film "The Dark Command".

- Walking Tours - In a unique partnership with KU School of Architecture and Urban Design, an independent study course was created titled "Special Problems in Architecture: The Architecture and History of Downtown Lawrence." The objectives of the course are for students to become aware of and understand Lawrence's multidimensional history as expressed in the downtown's architecture and to demonstrate an architectural knowledge of that history by developing and giving architectural tours of Downtown Lawrence to the public. The vision for this partnership is that we will have a cadre of tour guides that will give weekly tours with various themes to attract community members as well as visitors to return to Downtown on a regular basis to gain an appreciation for our historic community core.
- Busker Fest 2008 – Plans are underway for a new event featuring professional street performers for a two-day festival on the weekend that KU students return to campus. In partnership with the Lawrence Arts Center and Vodvil Entertainment, performers from across the country will descend on Massachusetts to entertain shoppers as well as offer children's workshops. Funding is being sought from the Kansas Arts Commission and the Lawrence Arts Commission.

Business Development Assistance

- Quarterly newsletter - The second edition "Heart Beat" was published and distributed to members as well as non-member businesses located in the Downtown footprint. The newsletter offers articles to improve readers business, information about upcoming events, issues concerning Downtown, new projects and a profile of one of the historic buildings.
- Centralized Database – Another new venture is to establish a centralized database for use in our direct mail and electronic marketing. We introduced the concept in the Spring edition and designed collection boxes for distribution to members.

New Business Recruitment

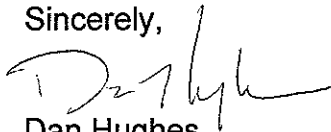
- Prospects – Our director has been doing informal research on a variety of levels to identify the types of businesses that would be a good fit for Downtown and is reviewing literature on retail trends that work in downtown environments.

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We feel like we are making good progress toward achieving the goals of the Work Plan that was incorporated into our Agreement for the Use of City Funds while still responding to the unexpected opportunities that present themselves. Our committees have been re-energized and are working with a variety of partners to further our work on behalf of Downtown.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Hughes", written over the printed name.

Dan Hughes
President
Board of Directors
Downtown Lawrence, Inc.

cc: Diane Stoddard
Cynthia Boecker