



June 12, 2008

Lawrence City Commissioners
6 East 6th Street
Lawrence, KS 66044

Dear Commissioners,

Thank you for scheduling the June 17 joint session of the Lawrence City and Douglas County Commissions. We, the Lawrence Douglas County BioSciences Authority (LDCBA) development team, are looking forward to sharing progress on plans for the Lawrence Life Sciences Incubator project.

As you are aware, LDCBA was constituted in 2005 by the City, County, Kansas University, and the Lawrence Chamber of Commerce. The charge to LDCBA was to develop an infrastructure of professional talent, modern facilities, and capital that would encourage, support and sustain the growth of bioscience companies and the commercialization of University of Kansas research. The Lawrence Life Sciences incubator is the core of that infrastructure. On the 17th we will discuss plans for this fully-programmed, multi-faceted facility. Its primary objective is to build companies; companies that will provide long term economic benefit to the region by focusing on three distinct markets, viz., Kansas University "bridge" companies, start up firms, and recruitment companies, all in the area of life sciences.

This project is planned as a partnership among LDCBA, the City of Lawrence, Douglas County, and Kansas University. It is financially modeled as a fully self sustaining operation after an initial start up phase.

LDCBA has committed \$500,000 to this project. Kansas University, through the KU Center for Research, has reviewed the plans and also taken action in favor of the project. A letter from Chancellor Robert Hemenway, Chair of the KUCR board, is attached journalizing this support.

We will request you reaffirm your support for this economic development initiative by committing funds in the amount of \$75,000/annually for the next ten years. Fully funded, after ten years, this amount together with a like contribution by Douglas County and the contribution of LDCBA would equal \$2,000,000. It would match the capital contribution of Kansas University making this project a uniquely collaborative effort between university and community sources.

The combination of these funds provides a capital pool of \$4,000,000 which we hope will be leveraged with an additional \$4,000,000 from the Kansas BioScience Authority thereby completing the capital requirements of this project. If achieved the Lawrence Life Sciences incubator will represent an innovative joint venture bringing together the City, County, University, and State.

This is an important strategic objective for both Lawrence and Kansas University. It will provide economic development to the region by expanding the tax base with the formation and retention of new companies and the creation of jobs. It will also enhance and expand Kansas University research, one of our community's most valuable assets and will establish Lawrence and Douglas County as a regional center for bioscience research and commercialization.

Thank you, again, for your ongoing support of this initiative. We look forward to our discussion.

Very truly yours,

E. LaVerne Epp, Chairman
LDCBA

Carey Novak, Director, Business Relations
Development
KU Center for Research, Inc.

Matthew McClorey, President
Lawrence Regional Technology Center

Beth Johnson, Vice President, Economic and
Development, Lawrence Chamber of Commerce