

City of Lawrence, Kansas  
2007 Outside Agency Funding Request Form  
This form is not to be used for Alcohol Tax Funding Requests

|                               |  |
|-------------------------------|--|
| <b>AGENCY NAME:</b>           | Douglas County Economic Development                |
| <b>PROJECT/ACTIVITY NAME:</b> | Economic Development Program                       |
| <b>CONTACT PERSON:</b>        | Beth Johnson, Vice President, Economic Development |
| <b>ADDRESS:</b>               | 734 Vermont<br>Lawrence, KS 66044                  |
| <b>PHONE NUMBER:</b>          | 785.865.4425                                       |
| <b>AMOUNT REQUESTED:</b>      | \$195,000  |

|  |             |
|--|-------------|
| When does the fiscal year for the program being funded end?      | December 31 |
| Has your organization received funding from the City previously? | Yes         |
| If so, what was the source and amount of funding received?       | \$106,966   |

**Description/Justification**

(Using 300 words or fewer, describe the program for which funding is being requested, the importance of the program, and why City funding is needed.)

**See attached letter and proposed budget.**

**This request should be supported (maximum of three pages) with the following information:**

1. Description of funding support received from all other sources such as the United Way, Douglas County, USD 497, state/federal grants, and private funding.
2. Total budget for the agency, number of personnel, and how the requested funding would be used (e.g., personnel, equipment, material, etc.).
3. Does the agency anticipate the need to request funding beyond 2007?

Additional information may be provided within the **three (3) page limit**.

Submit this form and any additional supporting materials electronically by April 10, 2006 to Debbie Van Saun, Asst. City Manager, via email to [dvansaun@ci.lawrence.ks.us](mailto:dvansaun@ci.lawrence.ks.us)



May 3, 2006

Ms. Debbie Van Saun  
Assistant City Manager  
6 East 6<sup>th</sup> Street, P.O. Box 708  
Lawrence, KS 66044

Dear Debbie:

On behalf of the Lawrence Chamber of Commerce and the KU Small Business Development Center, we respectfully submit the enclosed 2007 partnership budget proposal.

As you will see in the attached budget, the Economic Development Program is jointly funded by the City of Lawrence, Douglas County, and the Lawrence Chamber of Commerce and is administered by the Lawrence Chamber of Commerce. The 2007 budget request is for \$195,000 with \$20,000 for SBDC and the balance for the Economic Development program.

**Description/Justification/New Programs:**

The City of Lawrence has contributed to the Douglas County Economic Development program for over a decade as part of a partnership that exists with Douglas County and the Chamber of Commerce. Douglas County Economic Development provides full service economic development programs for Douglas County. The importance of the program is easily defined by numbers; in 2005 the program created 422 new jobs for citizens of Douglas County and over \$16,778,500 new investment for our tax base.

In 2007, we will continue our proactive economic development programs and enhance our current initiatives. Face-to-face communication is still the #1 way to get someone's attention and gain trust. This is a very important factor in economic development. Meeting with national site location consultants, real estate brokers, company executives, and others is integral in the process of attracting and retaining current businesses. Knowing the importance of communication, the Economic Development Department is researching conferences that provide the best networking opportunities, developing tours and events to bring consultants to Lawrence, and scheduling visits to the Corporate Headquarters of local companies. Communication is key to our efforts to pursue a corporate environment that will import new investment, create opportunities for current and future growth, decrease the drive-away factor, and increase the tax base, all the while maintaining the quality of life that we enjoy.

Additional funding is greatly needed for the economic development department to perform at a higher level. The environment for business development and attraction is becoming increasingly more competitive and Lawrence needs to step-up our efforts to stay in the game. Funding is needed to increase our marketing and advertising efforts as well as increase our efforts related to business attraction. Advertising opportunities in magazines such as Forbes and Fortune are available through our partners at Kansas Department of Commerce and Kansas City Area Development Council, but the cost of one ad is the cost of the entire current economic development marketing budget and therefore not plausible. The additional funds requested will allow us to market in these nation-wide publications as well as show our partners and others that we are ready for increased visibility.

Attracting companies that increase our local tax base as well as bring higher paying jobs, is important to Lawrence and Douglas County and a main focus of the economic development department. However, the game of attracting companies is changing. Incentives have always been important but the importance is increasing. In

order for Lawrence to remain competitive we need to have funds available to assist companies with infrastructure, utility, building, and equipment needs. This will also provide the ability to retain professional industry assistance to assist in our attraction activities. Additional funding will allow this opportunity to work towards attracting the companies and corporate headquarters that can make a large impact on the economy of the city and county.

**Outside Funding/Total Budget/Revenue-Related Issues**

As you are aware, Douglas County Economic Development receives funding from Douglas County, the Lawrence Chamber of Commerce, Douglas County Development, Inc. and the City of Lawrence. Additionally, the program receives funds from 125 private sector businesses as a result of the Excellence by Design fundraising campaign. Fundraising has already begun on the FOCUS[ED campaign which begins the 4<sup>th</sup> Quarter of the current budget year.

The partnership funding (City, County and Chamber) is essential to continuation of the successful program. Because of the increased costs associated with operating economic development programs and initiatives in an extremely competitive environment, public and private sector funds are necessary. We are only able to maximize private sector investments on the basis of a strong partnership with the public sector.

**Employee Salary Increases**

The attached budget includes 3% employee salary increases or cost of living increases for the economic development staff including three full-time positions and a partial salary of the front desk position.

**Horizon 2020 Initiatives**

The Horizon 2020 Economic Development Initiatives provides for continued City and County funding for the KU Small Business Development Center. This year, SBDC is requesting a total of \$20,000 from the City, which is the same amount as last year.

|                                      |                      |
|--------------------------------------|----------------------|
| # of individual counseling clients = | 321 (274 in 2004)    |
| Counseling hours =                   | 2547 (1,469 in 2004) |
| # of training seminars =             | 32 (21 in 2004)      |
| Seminar attendees =                  | 249 (184 in 2004)    |

In addition to the funds from the city and county, the KU Small Business Development Center also receives grant funding from the Small Business Administration (federal SBA), the Kansas Department of Commerce (KDOC) and the University of Kansas (KU). The local dollars (city, county and university) are used in matching grant calculation that brings both state and federal dollars into the local economy.

Thank you for your continued support the Economic Development program of the Lawrence Chamber of Commerce. We look forward to continuing our successful partnership.

Sincerely,



Beth A. Johnson  
Vice President, Economic Development

cc: Lavern D. Squier, President and CEO

|  |                    |                             |                             |
|--|--------------------|-----------------------------|-----------------------------|
| <b>2007 Budget Proposal</b>                                      |                    |                             | 5/1/2006                    |
| Economic Development Program January 1, 2007 - December 31, 2007 |                    |                             |                             |
|  |                    |                             |                             |
| <b>EDP Program REVENUE</b>                                       | <b>2005 Budget</b> | <b>2006 Approved Budget</b> | <b>2007 Budget Proposal</b> |
| Partnership Revenue - Chamber of Commerce                        | \$96,569           | \$106,966                   | \$175,000                   |
| Partnership Revenue - City of Lawrence                           | \$96,569           | \$106,966                   | \$175,000                   |
| Partnership Revenue - Douglas County                             | \$96,569           | \$99,466                    | \$175,000                   |
| Other Revenue - Douglas County Development, Inc.                 | \$20,400           | \$20,400                    | \$20,400                    |
| <b>Total EDP Revenue</b>   | <b>\$310,107</b>   | <b>\$333,798</b>            | <b>\$545,400</b>            |
|  |                    |                             |                             |
|  |                    |                             |                             |
| <b>EDP Program EXPENSES</b>                                      |                    |                             |                             |
| <u>Expenses - Personnel</u>                                      | <b>2005 Budget</b> | <b>2006 Approved Budget</b> | <b>2007 Budget Proposal</b> |
| Salaries   | \$137,694          | \$144,698                   | \$152,000                   |
| Taxes & Benefits   | \$14,634           | \$15,156                    | \$46,900                    |
| Auto Maintenance & Mileage                                       | \$0                | \$500                       | \$6,000                     |
| Subtotal - Personnel Expenses                                    | \$186,936          | \$194,462                   | \$204,900                   |
|  |                    |                             |                             |
| <u>Expenses - Operating</u>                                      | <b>2005 Budget</b> | <b>2006 Approved Budget</b> | <b>2007 Budget Proposal</b> |
| Rent   | \$10,000           | \$10,000                    | \$12,000                    |
| Janitorial Services  | \$2,500            | \$2,500                     | \$2,700                     |
| Telephone & Internet   | \$5,000            | \$5,000                     | \$5,400                     |
| Postage  | \$7,500            | \$6,000                     | \$7,000                     |
| Supplies   | \$3,550            | \$5,250                     | \$5,600                     |
| Office Furniture, purchases & depreciation                       | \$1,000            | \$2,070                     | \$3,000                     |
| Office Equipment Maintenance and leases                          | \$2,000            | \$3,780                     | \$5,000                     |
| Technology Purchases   | \$6,000            | \$2,680                     | \$4,000                     |
| Technology Maintenance   | \$5,200            | \$4,000                     | \$4,200                     |
| Insurance  | \$1,650            | \$1,650                     | \$1,900                     |
| Accounting & Legal Services                                      | \$4,000            | \$6,270                     | \$7,000                     |
| Property Taxes   | \$800              | \$800                       | \$800                       |
| Miscellaneous administration                                     | \$800              | \$1,500                     | \$1,800                     |
| Subtotal - Operating   | \$50,000           | \$51,500                    | \$60,400                    |
|  |                    |                             |                             |
| <u>Expenses - Programs</u>                                       | <b>2005 Budget</b> | <b>2006 Approved Budget</b> | <b>2007 Proposed Budget</b> |
| Subscriptions & Dues   | \$0                | \$0                         | \$2,000                     |
| Professional Development   | \$7,000            | \$7,000                     | \$9,000                     |
| Professional Associations  | \$1,000            | \$0                         | \$2,000                     |
| University Relations   | \$0                | \$0                         | \$2,000                     |
| Prospect Expenses  | \$5,000            | \$5,000                     | \$12,000                    |
| Business Retention & Expansion Programs/Workforce Development    | \$6,000            | \$4,236                     | \$18,000                    |
| Business Recognition Programs                                    | \$2,000            | \$2,000                     | \$3,000                     |
| K.C. Area Development Council                                    | \$8,100            | \$8,100                     | \$8,100                     |
| KU Research  | \$10,071           | \$27,000                    | \$10,000                    |
| Advertising/Public Awareness                                     | \$0                | \$0                         | \$26,000                    |
| Trade Show, Consultant Events & Business Attraction              | \$5,000            | \$5,000                     | \$60,000                    |
| Direct Mail  | \$15,500           | \$15,500                    | \$8,000                     |
| Project Reserves   | \$0                | \$0                         | \$120,000                   |
| Subtotal - Programs  | \$59,671           | \$73,836                    | \$280,100                   |
| <b>Total EDP Expenses</b>  | <b>\$310,107</b>   | <b>\$333,798</b>            | <b>\$545,400</b>            |

|  |                    |                             |                             |
|--|--------------------|-----------------------------|-----------------------------|
| 2007 Budget Proposal                       |                    |                             |                             |
| Horizon 2020 Initiatives                   |                    |                             |                             |
| January 2007 - December 2007               |                    |                             |                             |
|  |                    |                             |                             |
| <b>Horizon 2020 Initiatives Revenue</b>    | <b>2005 Budget</b> | <b>2006 Approved Budget</b> | <b>2007 Budget Proposal</b> |
| City of Lawrence                           | \$20,000           | \$20,000                    | \$20,000                    |
| Douglas County                             | \$20,000           | \$20,000                    | \$20,000                    |
| Total Horizon 2020 Initiatives Revenue     | \$40,000           | \$40,000                    | \$40,000                    |
|  |                    |                             |                             |
|  |                    |                             |                             |
| <b>Horizon 2020 Initiatives Expenses</b>   | <b>2005 Budget</b> | <b>2006 Approved Budget</b> | <b>2007 Proposed Budget</b> |
| Small Business Development Center - City   | \$20,000           | \$20,000                    | \$20,000                    |
| Small Business Development Center - County | \$20,000           | \$20,000                    | \$20,000                    |
| Total Horizon 2020 Initiatives Expenses    | \$40,000           | \$40,000                    | \$40,000                    |
|  |                    |                             |                             |
|  |                    |                             |                             |
| <b>TOTAL BUDGET REQUEST SUMMARY</b>        | <b>2005 Budget</b> | <b>2006 Approved Budget</b> | <b>2007 Budget Proposal</b> |
|  |                    |                             |                             |
| City of Lawrence                           |                    |                             |                             |
| EDP  | \$96,569           | \$106,966                   | \$175,000                   |
| Horizon 2020 Initiatives                   | \$20,000           | \$20,000                    | \$20,000                    |
| Total                                      | \$116,569          | \$126,966                   | \$195,000                   |
|  |                    |                             |                             |
| Douglas County                             |                    |                             |                             |
| EDP  | \$96,569           | \$106,966                   | \$175,000                   |
| Horizon 2020 Initiatives                   | \$20,000           | \$20,000                    | \$20,000                    |
| Total                                      | \$116,569          | \$126,966                   | \$195,000                   |