



April 27, 2009

Mr. David Corliss, Manager
Members of the Commission
City of Lawrence
P.O. Box 708
Lawrence, KS 66044

Dear Mr. Corliss and Commissioners:

I am pleased to present the attached appropriations request for the Lawrence-Douglas County Biosciences Authority (LDCBA). Included with the completed budget form is a FY08 (Dec) summary operations statement for your information. It details LDCBA's activities and objectives.

We are grateful for the ongoing interest and support of the City of Lawrence. As a founding stakeholder, Lawrence has played a significant role in developing and executing an innovative economic strategy through the emerging life science industry.

The LDCBA was constituted in 2006 as a collaborative independent partnership among the City of Lawrence, Douglas County, the Lawrence Chamber of Commerce, and the University of Kansas. At its organizational heart is the creation of a life science infrastructure of modern facilities and specialized equipment, professional talent, and capital acquisition built around targeted core competencies at the University of Kansas. It was then, and remains today, a unique and futuristic enterprise whose principle purpose is the production of long-term sustainable economic development.

We have already begun to see results. In the last eighteen months LDCBA, together with its partners, has attracted to the community national bioscience talent and the interest of emerging companies. It has gained the attention of other regional and national companies looking for a bioscience home.

In addition, in the last sixty days, LDCBA successfully raised over \$3,000,000 from the Kansas BioScience Authority for the development of a business incubator, the center of this life science infrastructure. This was aided by LDCBA's own contribution of \$500,000 which was funded, in part, by the annual contributions by the City of Lawrence. The strength of the city's commitment to LDCBA was a key factor in attracting this new capital.

In the coming months LDCBA will be focused on delivering this new incubation facility and its pertinent business development services to our region. It is projected that in the coming years, ten to twelve new companies will be incubated producing up to 100 high quality jobs. Once these companies "graduate" the cycle will begin again. Gradually—and organically—our region's bioscience economic base will grow and flourish.



In conjunction with the development of the incubator LDCBA will also begin to lay out a plan for the retention and attraction of professional business talent. This will consist of training entrepreneurs and existing working professionals both in and outside the region. We recognize that to support this new industry we not only need to attract new talent, we also need to retain the professional talent we currently have. This initiative will add jobs to our community and state.

Finally, LDCBA continues to seek external capital for its various projects and initiatives. It is an ongoing LDCBA objective that needs constant and careful management. We need capital for the ongoing operations and programs of the life science business incubator. We need capital for prospective tenant companies for research and development. We need capital for recruitment and development of professional talent, ongoing management training, etc. As part of its capital acquisition objective, LDCBA's key strategy is leverage; leveraging the commitment and the funding dollars representing the commitment of its stakeholder partners. For this reason, it is essential the City of Lawrence remains fully committed to the long term efforts envisioned by the initial LDCBA task force and board of directors. Any indication of reduced annual support could have significant potential impact on this capital acquisition objective.

At a time when other Universities, Associations, and community governments are reducing their commitments to build long term economically sustainable platforms, LDCBA's stakeholder partners have shown resolve in remaining firm in their commitments to build for the future. This provides a compelling message of economic development leadership not only for the City of Lawrence or Douglas County, but for the State of Kansas.

Very truly yours,

E. LaVerne Epp
Chairman and President

ELE/lj



City of Lawrence
Outside Agency Funding
APPLICATION

General Information: Each year, the City Commission considers requests for the allocation of dollars to a number of agencies that provide services benefiting the Lawrence community. The decision on funding a request will be made during the City's annual budgeting process. The decision will be based upon the availability of funds, the need demonstrated through the agency's application, the stated objectives of the applicant's program, past performance by the agency in adhering to funding guidelines (as appropriate), and the ability to measure progress toward the program objectives.

PLEASE NOTE THAT FUNDS WILL BE DISBURSED ACCORDING TO THE FOLLOWING SCHEDULE UNLESS OTHERWISE AGREED TO IN WRITING:

- o FIRST HALF OF FUNDS WILL NOT BE DISBURSED BEFORE APRIL 1
- o SECOND HALF OF FUNDS WILL NOT BE DISBURSED BEFORE OCTOBER 1

Instructions: Applications for 2010 funding must be complete and submitted electronically to the City Manager's Office at ctoomay@ci.lawrence.ks.us by the deadline of 5:00 pm on Friday, May 8, 2009.

Questions? Contact Casey Toomay, Budget Manager at ctoomay@ci.lawrence.ksu.s or at 785-832-3409.

Section I. Applicant Information

Legal Name of Agency: Lawrence Douglas County Biosciences Authority
Name of Program for Which Funding is Requested: Same
Primary Contact Person: Laverne Epp, President & Board Chair
Address: 1617 St. Andrews Dr., Ste. 205
Telephone: 785-856-2676 Fax: 785-832-8234
Email: elepp@ldcba.org

Section 2. Request Information

- A. Amount of funds requested from the City for this program for calendar year 2010: \$ 200,000.00
- B. Will these funds be used for capital outlay (equipment or facilities) in 2010? If so, please describe: The funds will be used for developing a biosciences infrastructure consisting of professional talent, facilities, equipment and capital.
- C. Will these funds be used to leverage other funds in 2010? If so, how: No
- D. Did you receive City funding for this program in 2009? If so, list the amount and source for funding (i.e. General Fund, Alcohol Fund, etc.): \$200,000 General Fund (\$100,000 received as of 4/30/2009)
- E. If you are requesting an increase in funding over 2009, please explain exactly how the additional funds will be used: N/A

Section 3. Agency and Program Budget information

- A. How many paid full time employees work for your agency? 0 Volunteers? 10- including board of directors
- B. What percent of your total 2009 budget goes to employee salaries and benefits? 0%
- C. What percent of your total 2009 budget is used for operating expenses? 43%
- D. What is the total estimated cost to provide the program in 2010? ~\$200,000
- E. What percent of 2010 program costs are being requested from the City? 50% approximately
- F. List other anticipated sources of funding and funding amount for this program in 2009:

	<u>Anticipated Funding Source</u>	<u>Dollar Amount</u>
	Douglas County	\$200,000

TOTAL 2010 PROGRAM BUDGET \$400,000

Section 4. Statement of Problem/Need to Be Addressed By Program

- A. Provide a brief statement of the problem or need your agency proposes to address with the requested funding and/or the impact of not funding this program. The statement should include characteristics of the client population that will be served by this program. If possible, include statistical data to document this need.

The Lawrence-Douglas County BioSciences Authority (LDCBA) was collaboratively created in 2005, by the City of Lawrence, Douglas County, Kansas University (KU) and the Lawrence Chamber of Commerce. Its primary purpose is to develop bioscience resources by providing an infrastructure of professional talent, modern facilities, specialized equipment and capital, around targeted core competencies currently emerging at KU and in the community private sector. The Lawrence business community, KU, and all citizens of Douglas County are served by the initiative inasmuch as it will expand the tax base, create job opportunities, and provide business development. The only funding, for the LDCBA, at this point, comes from capital contributions from the City of Lawrence, Douglas County, and Kansas University. Discontinuation of this funding, or reduction of it, will significantly impair LDCBA from carrying out the purposes for which it was created.

B. How was the need for this program determined?

A special task force of community leaders was constituted in 2005 to consider the economic development opportunities inherent in leveraging and promoting KU life science research and commercialization, also attracting bioscience companies to Lawrence and Douglas County. As a result of the research and planning conducted by this BioScience Task Force, the LDCBA was formed and funded.

C. Why should this problem/need be addressed by the City?

See A and B above.

Section 5. Description of Program Services

A. Provide a brief description of the service you will provide and explain how it will respond to the need you identified in Section 3. The description should include how many clients will be served, and should describe as specifically as possible the interaction that will take place between the provider and the user of the service.

See Section 4, above.

B. Describe any efforts your agency has made to explore the community to determine if there are any other agencies providing similar types of services. What efforts have you made to coordination services?

By working with the Lawrence Chamber of Commerce, we have determined that no other agency is providing similar types of services to this area.

Section 6. Program Objectives

Please provide three specific program objectives for 2010. Objectives should demonstrate the purpose of the program and measure the amount of service delivered or the effectiveness of the services delivered. A time frame and numerical goal should also be included. Examples include, “75% of clients receiving job training will retain their job one year after being hired,” “increased fundraising efforts will result in a 15% increase in donations in 2010,” “credit counseling services will be provided to 600 clients in 2010,” “new digital arts program will serve 275 students in 2010” etc. **Applicants will be expected to report their progress toward meeting these objectives in their six month and annual reports to the City.**

Program Objectives

1. To develop a wet-lab incubator facility, together with associated professional talent, specialized equipment and capital.

2. To provide business development and commercialization programming and incentives for incubator facility companies.

3. To develop long-term destination facilities in Lawrence & Douglas County for incubator facility bioscience companies.

Please return completed application electronically to ctoomay@ci.lawrence.ks.us by 5:00 pm on Friday, May 8, 2009.

Office Use Only

six month report received yes no
annual report received: yes no
audit received: yes no
tax return received: yes no