

Memorandum

To: Honorable Mayor and Members of the City Council

From: Martin Lyons, Assistant City Manager
Johanna Nyden, Economic Development Division Manager
Cindy Plante, Economic Development Specialist

Subject: Resolution 71-R-16, Memorandum of Understanding for Development of
City-Owned Property at 721-723 Howard Street

Date: November 21, 2016

Recommended Action:

Staff and Economic Development Committee recommend that the City Council adopt Resolution 71-R-16, directing the City Manager to negotiate and execute a Memorandum of Understanding (MOU) with Theo Ubique. This resolution will provide direction to continue the pre-development activities for planning and design of a theatre in the existing building at 717-723 Howard Street.

Funding Source:

Funding responsibility for this project is to be shared between the City and Theo Ubique, with the City funding approximately \$1.4 million in design and construction costs from the Howard/Ridge TIF, and Theo Ubique raising \$204,450 to fund purchase and installation of all necessary furniture, fixtures, and equipment. The Howard/Ridge TIF has \$1 million budgeted in the 2017 proposed budget; upon approval of this agreement, this amount will be increased to the estimated \$1.4 million.

Livability Benefits:

Arts & Culture: increase access to and participation in the arts

Economy & Jobs: to attract, retain, or expand businesses in targeted industry sectors

Summary:

Theo Ubique (pronounced "ooo-bee-kwee") was a responding theatre to Evanston's inquiry for performing arts groups for Howard Street. After negotiations with Strawdog Theatre Company ended, Theo Ubique restated its interest in Evanston's Howard Street. Ross Barney Architects developed preliminary floor plans and cost estimates for the renovation of the existing building for use as a live performance venue for Theo Ubique. The next step in the process will be to approve an MOU outlining each party's funding responsibilities, draft lease terms, and a timeline for completion of construction

drawings and award of a construction contract. The attached MOU contemplates that this work would be complete by October 9, 2017, with construction (if approved) to be completed in summer 2018.

Background:

Since 2012, the City has purchased three properties in the 700 block of Howard Street with a goal of redeveloping one or more of these buildings for use as a storefront theatre. The development of a theatre is a key component to the revitalization of Howard Street, and contributes to the City's mission of becoming the Most Livable City.

City properties on the corridor have previously been redeveloped to house successful dining destinations Peckish Pig at 623 Howard Street and Ward Eight at 629 Howard Street, the latter of which was recently purchased by the business owners. The addition of a live theater venue in the 700 block of Howard Street will complement these existing uses and help attract additional businesses to fill remaining vacancies and increase foot traffic along the Howard Street corridor.

About Theo Ubique:

Founded in 1997, Theo Ubique produces cabaret-style musical theater productions at the No Exit Theater on Glenwood Avenue in Rogers Park. Recent productions have included shows like *Rent* and *Jesus Christ Superstar*, which have won numerous local theater awards. In their current space, Theo Ubique typically presents four shows each season, offering patrons dinner and beverage service prior to each performance.

Theo Ubique has experienced steady growth in its subscriber base in recent years despite the limitations of their current space, which only seats 60 attendees. Performances consistently sell out due to the limited capacity, drawing audiences, subscribers, and donors from throughout the north side of Chicago as well as North Shore suburbs including Evanston, Wilmette, Winetka, and Skokie. Relocating to Howard Street would allow the group to increase seating capacity while preserving the exiting audience base. Theo Ubique has also expressed an interest in partnering with Evanston restaurants and catering companies to offer food at each performance.

Proposed Theatre Project & MOU:

The building at 721-723 Howard Street contains two commercial storefronts with approximately 3,600 square feet of space at-grade and 750 square feet of unfinished basement. The total lot size is approximately 5,000 square feet. The draft floor plan calls for consolidation of the two storefront spaces to create an 86-seat cabaret theater with a bar area, catering kitchen, and 225 square feet of dressing room space for performers.

Based on preliminary designs and cost estimates provided by Ross-Barney Architects, the renovations and interior buildout of the space are expected to cost between \$1.69 and \$1.76 million in total. This estimate includes substantial contingencies and staff recommends funding the project at \$1.6 million. The MOU calls for these costs to be

shared by Theo Ubique and the City, with the City funding design work and renovation of the facility using funding from the Howard-Ridge TIF, at a cost of \$1.4 million. Theo Ubique would be responsible for raising \$204,000 to fund purchase and installation of all furniture, fixtures, and equipment. The MOU also outlines a set of 6 fundraising milestones for Theo Ubique to meet as part of the project timeline.

Theo Ubique would be asked to sign a 10-year lease with up to four options to renew at 5 years each. Under the terms of the proposed lease, Theo Ubique would be charged rent of \$3,800 each month for the first two years of the lease. Rent would increase to \$6,105 each month for months 25-36 of the lease, or about \$20 per square foot, with rent increases in subsequent years to be determined based on Consumer Price Index. Theo Ubique would be responsible for all utilities, taxes, and maintenance of the space for the duration of the lease term. At the conclusion of the second 5-year renewal option (20 years), Theo Ubique would be offered the option to purchase the property.

The Howard/Ridge TIF currently is responsible for making annual payments to the ownership of 415 Howard Street to satisfy a development agreement from its original construction in 2010. The agreement states that the City will refund 100% of the taxes to the property owner for 5 years, after which the refund reduces by 15% each year for the next 5 years. Next year, the amount refunded to the property will be reduced to 85%. The ongoing reduction will make available TIF funds for projects and future debt service (if debt is issued) in the TIF. The ability to make debt payments on a 10-year bond issuance for \$1.4 million will be made possible by this reduction in refund obligation. The \$259,091.50 in proceeds the City received the recent sale of 629-631 Howard Street is also available to assist in funding these expenses.

Lastly, in addition to the resolution, staff also requests authorization to conduct a request for proposals for completion of construction drawings and construction review.

Legislative History:

Resolution 45-R-15 was adopted by City Council at the May 11, 2015 meeting, authorizing the City Manager to initiate a Request for Proposals process for a theatre to lease City-owned property on Howard Street. This RFP process identified Strawdog Theater Company as the preferred tenant, with Theo Ubique as a first runner-up.

City Council then authorized the City Manager to engage in an RFP process for architecture/design services for an amount up to \$40,000 at the September 21, 2015 City Council meeting. This process ultimately led to a contract award to Ross-Barney Architects for initial design work for the Howard Street Theater. On November 9, 2015, the City Council adopted 102-R-15, authorizing the City Manager to execute a Memorandum of Understanding with Strawdog Theatre Company for the development and lease of two City-owned parcels at 717 Howard and 721-723 Howard Street.

Attachments:

Resolution 71-R-16

71-R-16

A RESOLUTION

Authorizing the City Manager to Execute a Memorandum of Understanding for the Future Development of City-Owned Property at 721-723 Howard Street

WHEREAS, the City of Evanston owns a commercial property located at 721-723 Howard Street, Evanston, Illinois 60202 (the "Subject Property"); and

WHEREAS, the Subject Property is improved with a one-story (with basement) 3,545 square foot building and the total property is 5,001 square feet; and

WHEREAS, the City has identified a potential partner, Theo Ubique Theater Company, an Illinois not-for-profit corporation, to redevelop the Subject Property into a dinner theater and seeks to enter into a memorandum of understanding with the group to further develop the proposal and fundraise for the project; and

WHEREAS, the City Council has determined that the best interests of the City of Evanston would be served by executing a memorandum of understanding with the prospective tenant for the Subject Property and affirming its support for the project. Any undertaking to execute a definitive agreement between the parties is subject to further City Council review and approval at a later date,

NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: The City Manager is hereby authorized and directed to execute this memorandum of understanding, attached hereto as Exhibit A.

SECTION 2: The City Manager is also authorized to negotiate all necessary terms for a redevelopment agreement and lease agreement to be reviewed and approved by Council for the Subject Property at a later date, and that may be in a form acceptable to the Corporation Counsel.

SECTION 3: That this Resolution 71-R-16 shall be in full force and effect from and after its passage and approval in the manner provided by law.

Elizabeth B. Tisdahl, Mayor

Attest:

Rodney Greene, City Clerk

Adopted: _____, 2016

EXHIBIT A
MEMORANDUM OF UNDERSTANDING

**MEMORANDUM OF UNDERSTANDING
THEO UBIQUE THEATRE/HOWARD STREET DEVELOPMENT**

This Memorandum of Understanding is entered into by and between the City of Evanston, an Illinois home rule municipal corporation "City" and Theo Ubique, an Illinois not-for-profit corporation "Theo Ubique".

RECITALS

WHEREAS, the City seeks to build a cultural corridor along Howard Street to build on the success of existing establishments like brew-pub Peckish Pig and cocktail lounge Ward Eight; and

WHEREAS, The City-owned property at 721-723 Howard Street was identified and acquired by the City to accommodate live performing arts uses; and

WHEREAS, The property at 721-723 Howard Street is located in the Howard/Ridge Tax Increment Financing District. The TIF District was established in 2004 and expires in 2028. The purpose of TIF districts is to facilitate catalytic economic development through the built environment; and

WHEREAS, In early 2015, the City engaged a working group of theatre professionals to develop parameters for an ideal theatre company for Howard Street. Subsequently the City issued a request for qualifications seeking theatre companies to identify themselves to be considered for the Howard Street opportunity. The theatre professionals reviewed the submissions and identified several finalists. Of those finalists, Theo Ubique was identified as a potential user for the space; and

WHEREAS, Theo Ubique presents musical theater productions in a cabaret setting with food and beverage service;

WHEREAS, The City issued a request for proposals for architectural services for an initial phase of work to develop concept and architectural plans for the Howard Street theatre that could be used for cost estimation purposes; and

WHEREAS, following a competitive process, Ross Barney Architects was selected to develop initial concept plans for renovation of the facility, in consultation with the City and the chosen tenant for the facility, attached hereto as Exhibit A.

WHEREAS, Ross Barney Architects developed initial concept plans that estimate the total cost of interior demolition, renovation, and purchase of equipment for a theatre at approximately \$1,515,412 as noted in Exhibit C; and

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto hereby agree as follows:

1. Definitions

For the purposes of this MOU, the following terms and phrases must have the meanings hereinafter ascribed to them:

A. "Certificate of Temporary Occupancy" means a document produced by the Building & Inspection Services Division of the City of Evanston evidencing the City's substantial completion of all material obligations to construct the Theatre as set forth in the Site Plan.

B. "City" means the City of Evanston, Cook County, Illinois, an Illinois municipal corporation and a home rule unit of government duly organized and existing under the 1970 Constitution of the State of Illinois.

C. "Construction Plans" means plans, drawings, specifications and related documents, and construction schedules for the construction of the Project, together with all supplements, amendments or corrections, created by the City and City's contractors for the Project in accordance with terms of this MOU.

D. "Corporate Authorities" means the City Council of the City of Evanston.

E. "Howard Street Theatre" means the theatre and performing arts space to be constructed at the Property.

F. "Lease Agreement" means the agreement between the Parties that will describe Theo Ubique's occupancy and obligations for the operating and maintenance of the Property during the term of the Lease Agreement.

G. "MOU" means this Memorandum of Understanding, as the same may be from time to time modified, amended or supplemented in writing by the parties hereto.

H. "Parties" means collectively the two parties to this MOU, City and Theo Ubique.

I. "Project" means the rehabilitation of approximately 3,663 square feet of theatre space and all work necessary to prepare the Property for the contemplated Project as described in this MOU as approved or amended by the Site Plan, and all other work reasonably necessary to effectuate the intent of this MOU.

J. "Property" means the real property at 721-723 Howard Street, Evanston, Illinois 60202. The Property contains two commercial units at 721-723 Howard (total 3,663 square feet for the building with total lot size at approximately 5,000 square feet.

K. "Theo Ubique" means Theo Ubique, an Illinois not-for-profit corporation.

L. "TIF Act" means the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1.

2. Construction of Project

A. Facility Renovation. The Parties hereby acknowledge the construction of the Project improvements by the City and selects the City, and its contractors and subcontractors, to construct or cause the construction of the Howard Street Theatre in accordance with the Floor Plan and this MOU. The Project improvements shall be performed in accordance with all applicable laws, ordinances, rules and regulations. The Project improvement will be performed with a contract between the City and the City's contractors; Theo Ubique will not be a party to the construction contract(s). Theo Ubique acknowledges and agrees that City's plans for Project improvements to the Property, as set forth in the Concept Floor Plan have been submitted to and approved by Theo Ubique. Theo Ubique may further review and suggest reasonable modifications to the Concept Floor Plan and provide comment and direction subject to the funding contemplated in this agreement.

B. Construction Schedule. The City should commence construction of the Project within 120 days of the later to occur of (a) the funds necessary to construct the Project are available; or (b) within 9 months after execution of this MOU, and shall substantially complete construction of the following approximate square feet of major uses that include theatre, prep kitchen, and basement space as follows (Exhibit A contains draft concept plan and designation of uses within the space for this project):

- 3,663 square feet of main stage theatre space, including dressing room area, restrooms, warming kitchen, and bar area (at-grade);
- 750 square feet of basement space;

C. Concept Floor Plan. The Concept Floor Plan is hereby approved by the Parties. The City will obtain the proper Governmental Approvals and this Concept Floor Plan is still subject to change.

D. Parking Lot. The City plans to pave the adjacent vacant property (commonly known as 717 Howard) for a metered public parking lot. Patrons, employees, contractors, of Theo Ubique can utilize the parking lot with the general public. The parking lot is subject to City Council funding and solely in the City's discretion to proceed and the timeline for the project. The parking lot will not be part of the Lease Agreement.

E. Project Funding. The Parties expect the total Project cost to be between \$1,689,714 and \$1,756,058 (these costs are not inclusive of the public parking lot renovation).

1. City Funding for Project: City shall raise \$1,482,000 for construction of the theatre through TIF Act financing or other means (as well as any costs associated with the construction of the public parking lot). The City must follow all TIF Act regulations for this project for eligible expenditures, reporting, etc. Any portion of

funding that is the result of the actions of City employees, elected officials, or other individuals directly related to the City through means of employment, will be considered funding attributable to the City's portion.

2. Exhibit C addresses the portion of funds that the City will pay for the project.

3. City will engage a qualified architecture firm to complete construction documents and bid-level drawings of the concept plans developed by Ross Barney Architects. The City will pay for these services (as outlined under "Theo Ubique Obligations"). City Council will consider approval of the engagement of an architect no later than February 20, 2017; completed work to the City by selected architect will be due no later than July 1, 2017.

4. City will issue an invitation to bid for construction work on the project no later than July 15, 2017, with responses from qualified construction companies due no later than September 1, 2017.

a. City Council will consider the award the contract for construction no later than October 9, 2017.

b. It is the intent for construction to last no more than 18 months (or less) and that construction will commence no later than January 1, 2018 and that all construction activities on this building will be completed no later than June 20, 2018.

c. City will pay prevailing wage.

d. City will oversee all construction activities associated with the property and make all decisions related to the construction and rehabilitation activities.

e. The City Manager or his/her designee will provide monthly updates on construction activities to Theo Ubique. The City will provide regular tours to Theo Ubique of the construction site for the purposes of inspection, donor opportunities, etc.

E. Temporary Certificate of Occupancy. Promptly after substantial completion of the Project, the City will apply for and receive a Temporary Certificate of Occupancy from the City Building & Inspection Services Division. After the Temporary Certificate of Occupancy is issued Theo Ubique may occupy the Property to commence the uses contemplated herein.

F. Theo Ubique Improvements. The Parties will cooperate to select certain improvements and fixtures such as stage lighting, sound equipment, theatre seats, and other fixtures that will serve the needs of the performance space as identified in the conceptual plan attached as Exhibit C.

G. Lease: The Parties may enter into a lease and management agreement with Theo Ubique for the lease of the Property at a future date (initial lease terms/lease document are provided as an exhibit to this MOU). The Lease Agreement between the Parties will address commencement of rent obligations, maintenance, and other issues after the Temporary Certificate of Occupancy is issued. The initial basic lease terms are outlined in Exhibit B and incorporated herein by reference.

1. City will negotiate a lease with Theo Ubique and work to execute a lease no later than March 1, 2017 with Theo Ubique if the covenants contained within this MOU are met.
2. In the event that no lease is executed by both parties by June 1, 2017, the City has the ability to seek a new manager/tenant of the Howard Street Theatre.
3. City shall retain ownership of the theatre structure after the construction.

3. Theo Ubique Fundraising and Tenancy

A. Fundraising Benchmarks: Theo Ubique commits to raising \$204,450 toward the development of this property. Theo Ubique will deliver funding to the City in support of this project based on an agreed upon schedule that is summarized in Exhibit D.

B. Fundraising Reports: During the period of time Theo Ubique is raising \$204,450 toward the project. Theo Ubique will provide monthly fundraising reports to the City Manager or his/her designee until such time as the fundraising activities are complete (i.e. goal of fundraising is met). Monthly reports are due no later than the 10th of each month.

1. In the event the expenditures identified in this MOU are less than \$204,450, as identified in this MOU; Theo Ubique and the City will work to identify additional opportunities and uses for funding, so that all \$204,450 committed for this project is utilized.

2. In the event the expenditures identified in this MOU are more than \$204,450, as identified in this agreement, Theo Ubique and the City will work to identify additional funding opportunities for the necessary items.

3. If Theo Ubique does not raise funds provided Section 3A, Theo Ubique must furnish 75% of funding within 60 days of milestone date achievement. Additional 25% will be due and charged 10% penalty fee (e.g. if milestone was \$50,000 and only \$25,000 was raised and provided to the City within 60 days of milestone, the remaining \$25,000 will also have to include \$2,500, or 10% penalty, due to the City).

C. Tenancy: Theo Ubique agrees to negotiate and enter into a lease with the City no later than March 1, 2017. Theo Ubique will occupy the property within 30 days (or less) following the issuance of the Final Certificate of Occupancy. Theo Ubique will offer a live performance at the property within 90 days (or less) following the issuance of the Final Certificate of Occupancy.

4. Use of Property under Lease Agreement.

A. Performances. Theo Ubique will offer no less than XX performances annually and engage in an effort to “never go dark”, which will include engaging the space in a way that supports an activated street frontage along Howard Street. Theo Ubique will offer events and activities on a semi-regular basis that will engage the local neighborhood that include, but are not limited to: Election Polling Place, and storytelling events and other creative pursuits. All events will be coordinated through Theo Ubique.

B. Permitted uses. Theo Ubique will use the Property to operate a theatre with live performances with dinner service, rehearsals, workshops, office uses, and uses incidental thereto, and no part of the Property will be used for any other purpose without the prior written consent of City (the “**Permitted Use**”).

C. Liquor License. Theo Ubique must maintain at all times a valid liquor license for the Property with the State of Illinois and the City of Evanston, and pay all associated liquor tax payments on or before the due date. The City gives its written consent for an application to be submitted and reviewed by the Evanston City Liquor Control Review Board and the Evanston City Council in conformance with the Evanston City Code procedures, as amended.

D. Budget. Theo Ubique will develop an annual operating budget for the property (in coordination with the City) to ensure that components of the building are professionally and properly maintained. Theo Ubique will maintain a separate reserve of a determined amount for building maintenance activities that will be addressed further in a lease document.

5. Inability to Perform

A. City Breach: In the event the City does not fulfill its obligations as identified in this MOU (failure to fulfill obligations includes City Council not approving construction work):

1. Theo Ubique will be repaid all funding spent that relates to funding identified in Section 3A.
2. City is not obligated to refund Theo Ubique any of funding spent related to attorney fees and court costs, rental costs, and other expenditures incurred.
3. This excludes unanticipated delays in construction that are not the result of the City actions.

B. Theo Ubique Breach: In the event Theo Ubique does not fulfill its obligations as identified in this MOU:

1. City retains all funds provided by Theo Ubique pursuant to Section 3A without reimbursement.
2. Theo Ubique is not obligated to refund the City money expended for the Project or attorneys’ fees, court costs, or other expenditures incurred.

6. Indemnification.

A. Indemnification of City. Except as otherwise provided in this MOU, and except to the extent caused by the negligence or willful misconduct of City, or its agents, employees or contractors, or by the breach of this MOU by City, Theo Ubique shall protect, defend, indemnify and save City and its officers, directors, agents, attorneys, and employees harmless from and against any and all obligations, liabilities, costs, damages, claims and expenses of whatever nature arising from (i) any matter, condition or thing that occurs during construction and arising out of work performed at the Property, which is not the result of City’s negligence or willful misconduct, (ii) any negligence or willful misconduct of Theo Ubique, or its agents or employees; or (iii)

City's breach occasioned wholly or in part by any act, omission of Theo Ubique , its agents, employees, contractors or servants. The provisions of this Section shall survive the expiration or earlier termination of this Lease only with respect to any damage, injury or death occurring before such expiration or earlier termination.

B. Indemnification of Theo Ubique. Except as otherwise provided in this MOU, and except to the extent caused by the negligence or willful misconduct of Theo Ubique, or its agents, employees or contractors, or by the breach of this MOU by Theo Ubique, City shall protect, defend, indemnify and save Theo Ubique and its officers, directors, agents, attorneys, and employees harmless from and against any and all obligations, liabilities, costs, damages, claims and expenses of whatever nature arising from City 's willful acts occasioned wholly or in part by any act, omission or of City, its agents, employees, contractor or servants, contractors or servants. The provisions of this Section shall survive the expiration or earlier termination of this Lease only with respect to any damage, injury or death occurring before such expiration or earlier termination.

7. Amendments. This MOU may be modified or amended only in writing signed by City and Theo Ubique. It may not be amended or modified by oral agreements between the Parties unless they are in writing duly executed by the Parties.

8. Parties Bound. Every provision of this MOU will bind the parties and their legal representatives. The term "legal representatives" is used in its broadest meaning and includes, in addition to assignees, every person, partnership, corporation or association succeeding to any interest in this MOU. Every covenant, agreement and condition of this MOU will be binding on Theo Ubique's successors and assignees.

IN WITNESS WHEREOF, the parties hereto have each approved and executed this MOU on the day, month and year first above written.

THEO UBIQUE

CITY OF EVANSTON

By _____

By: _____

Its: President

Its: City Manager

Date: _____

Date: _____

EXHIBIT A
CONCEPT FLOOR PLAN

DRAFT

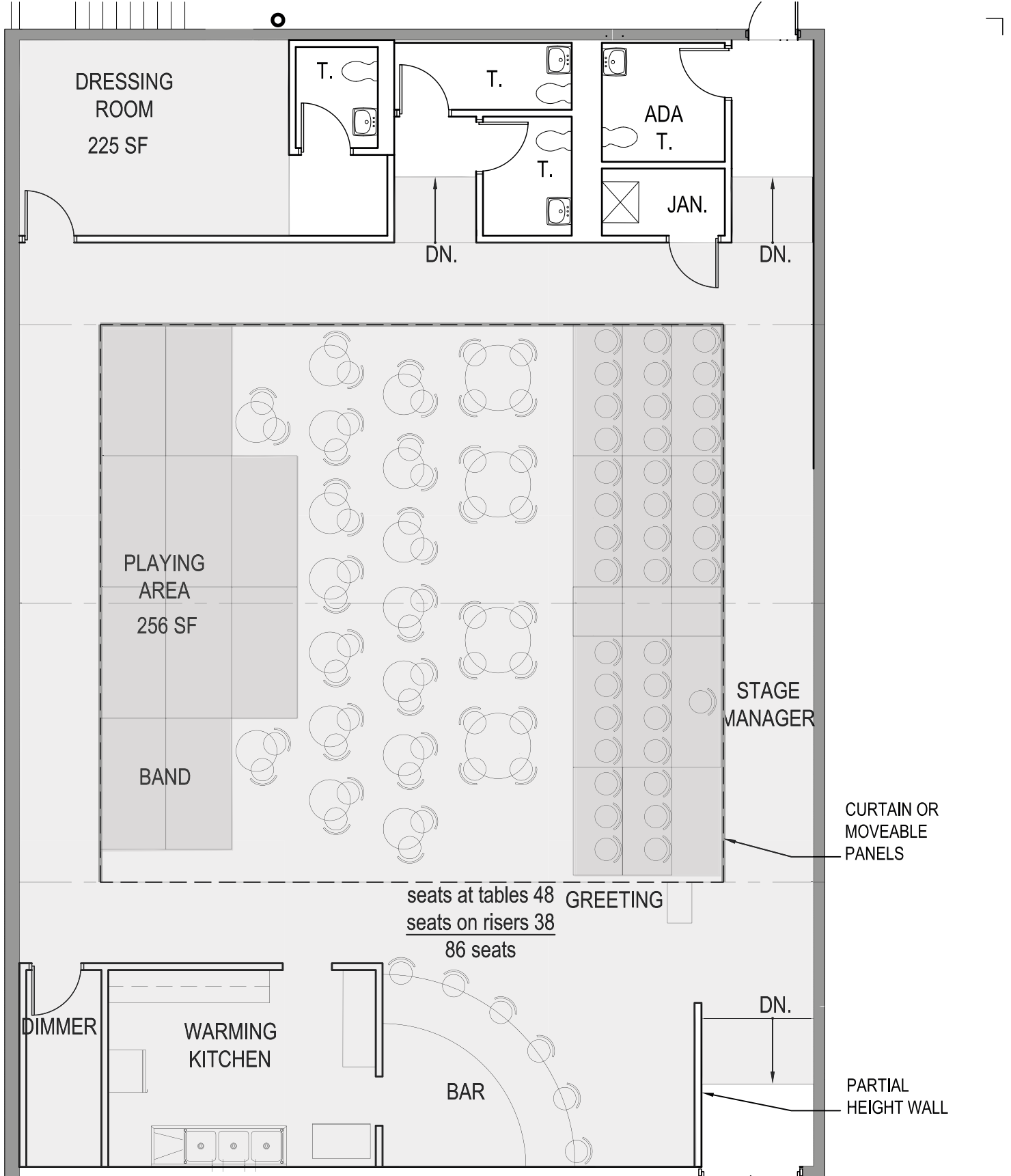


EXHIBIT B

BASIC LEASE TERMS

A. **Term:** 10 Year lease with four options to renew of 5 years each.

B. **Rent:** Monthly rent will commence in the month immediately following the month that the first live performance is held at the property. This rent will be \$3,800 for first 24 months;

1. For months 25-36, the rent will increase to \$6,105 for each month (\$20.00 per square foot).

2. For the duration of the lease (and all extensions), the rental payment will be increased every year on January 1; the increase will correspond to the increase by the average consumer price index (CPI) for Midwest urban consumers in the previous calendar year (i.e. on January 1, 2020, the rent will increase by the average CPI for 2019).

3. Rent will be due by the first; grace period until the 5th, penalty of \$25 per day after that.

C. **Option to Purchase:** Theo Ubique may exercise an option to purchase the property at the end of the second 5-year renewal option (i.e. year 20) for the appraised value of the property. If purchase is made after 20 years of occupancy in the property and in good standing, the City will consider a ten percent (10%) reduction in purchase price. All sales of property are subject to City Council approval.

D. Other considerations:

- Theo Ubique is the sole leasee of the property and will serve as manager of this City facility. All sub-leases greater than one performance or for periods longer than 60 days, must be agreed to by the City Manager and/or City Council if applicable. Theo Ubique may keep all rent obtained from leasing the space(s) for periods of time as allowed under this agreement. Additional approvals from the City Manager and/or City Council may incur additional costs to be paid to the City.

- All food served on the premises must be prepared by a food establishment licensed and inspected by the City of Evanston.

- Theo Ubique may lease portions of the space to other parties (performance space, rehearsal, special meetings, etc.) but may only do so for periods of time not longer than 60 days in total or for intervals greater than two months (e.g. a monthly rental of the shop space for two days each month for a period of 6 months). Such parties must furnish insurance, indemnification, etc.

- If the City determines it is in the best interest to sell the property at any point during the lease period, then Theo Ubique has a first right of refusal to purchase the property. A negotiated purchase price for the property would be based on the total appraised value of the property at the time of sale procured by both parties. If sale is made after 20 years of occupancy in the property and Theo Ubique is in good standing, the City will consider a ten percent (10%) reduction in purchase price. All sales of property are subject to City Council approval. .

- Theo Ubique will be responsible for all maintenance of the property, snow removal, etc.; all major repairs/changes to building components must be done in

coordination with the City's Facilities Division. City will inspect property annually in coordination with Theo Ubique to ensure property is being maintained in good working order.

- Theo Ubique will be responsible for all utilities.
- It is anticipated that this property will be tax-exempt due to the 501c3 status of Theo Ubique; in the event Cook County does not award tax-exempt status to this property, Theo Ubique will be responsible for taxes for the property from the date of the issuance of the Final Certificate of Occupancy

DRAFT

EXHIBIT C
RENOVATION COST ESTIMATES

DRAFT

Howard Street Theater
City of Evanston

Opinion of Probably Cost - Concept Phase

Ross Barney Architects, Inc
9/23/16

costs assume an early 2017 Construction Start

SYSTEM DESCRIPTION	SUBTOTALS	TOTAL
01 GENERAL CONDITIONS		\$150,000
General Conditions	\$150,000	
02 EXISTING CONDITIONS		\$41,570
Demolition	\$41,570	
03 CONCRETE		\$16,750
Cast in Place Concrete	\$16,750	
04 MASONRY		\$45,000
Clean and Repair Masonry	\$45,000	
05 METALS		\$15,000
Metal Panel System	\$15,000	
06 WOOD & PLASTICS		\$24,664
Millwork and Raised Wood Floor	\$24,664	
07 THERMAL & MOSITURE PROTECTION		\$6,200
Roof Repair	\$2,600	
Flashing and Sheet Metal	\$3,600	
08 DOORS & WINDOWS		\$40,650
Doors and Frames	\$19,400	
Aluminum Framed Entrances and Storefronts	\$21,250	
09 FINISHES		\$40,454
Acoustical Tile Ceilings	\$3,204	
Non-Structural Metal Framing	\$6,650	
Tiling	\$12,000	
Resilient Base and Accessories	\$3,000	
Tile Carpeting	\$1,500	
Interior Painting	\$14,100	
10 SPECIALTIES		\$17,310
Signage	\$10,450	
Toilet Accessories	\$6,860	
11 EQUIPMENT	included in Owner Supplied Equipment (below)	
12 FURNISHINGS		\$4,000
Shades	\$4,000	
13 SPECIAL CONSTRUCTION		\$15,000
Sound Isolation and Acoustical Insulation	\$15,000	

14	CONVEYING SYSTEM	n/a	\$0
22	PLUMBING		\$34,802
	Plumbing - New Work	\$31,652	
	Plumbing - Demolition	\$3,150	
23	HVAC		\$195,000
	HVAC - New Work	\$175,000	
	HVAC - Demo	\$20,000	
26	ELECTRICAL		\$311,500
	Electrical - New Work	\$141,750	
	Electrical - Demolition	\$16,000	
	Theater Electrical (includes stage lighting and installation)	\$153,750	
32	SITE WORK		\$16,200
	Landscape	n/a	
	Sitework -concrete repair and replacement	\$16,200	
33	ALLOWANCES		\$30,000
	Abatement Allowance	\$30,000	

TOTAL	\$1,004,100
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Design Contingency @ 15%	\$150,615
Bid Contingency @ 5%	\$50,205
Total Contingency	\$200,820

TOTAL CONSTRUCTION	\$1,204,920
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Owner's Construction Contingency @10%	\$120,492
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Owner Supplied Items (not part of GC Contract)	
Theater Equipment (rigging, curtains, tracks, platforms)	\$65,000
Furniture (not including theater seating) Allowance	\$5,000
Furniture - Theater Seating and Tables Allowance	\$35,000
Kitchen Equipment Allowance	\$25,000
AV System Allowance	\$60,000
Total Owner Supplied Items	\$190,000

GRAND TOTAL	\$1,515,412
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Owner Soft Costs	low	high
Design Fees & Reimbursables	\$130,730	\$160,060
LEED Design Fees	n/a	n/a
LEED Certification	n/a	n/a
Surveying & Soil Borings	n/a	n/a
Material Testing & Inspections	\$2,000	\$7,000
Phase 1 Environmental Assessment	\$3,000	\$5,000
Evaluation and Testing of Existing Building	\$16,000	\$22,500
Telephone/ Data Equipments	\$5,000	\$25,000
Security System	n/a	n/a
Permit Fee	\$17,572	\$21,086

Total Estimated Owner Soft Costs	\$174,302	\$240,646
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Total Opinion of Probable Project Cost	\$1,689,714	-	\$1,756,058
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EXHIBIT D
Project Milestones For Theo Ubique Funding Commitments

Estimated Date	Milestone	Amount Due	Total Remaining
January 1, 2017	Execution of this MOU	\$450	\$204,000
March 1, 2017	Execution of lease	\$4,000	\$200,000
July 1, 2017	Delivery of construction drawings	\$50,000	\$150,000
January 1, 2018	Issuance of first building permit for construction	\$50,000	\$100,000
June 20, 2018	Completion of construction/issuance of temporary certificate of occupancy	\$50,000	\$50,000
July 1, 2018	Occupation of the building	\$50,000	\$0

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