

Memorandum

To: Honorable Mayor and Members of the City Council

From: Wally Bobkiewicz, City Manager
Erika Storlie, Deputy City Manager and Director of Administrative Services

Subject: Proposed Agreement with Evanston Lakehouse & Gardens for Harley Clarke Mansion Operations

Date: June 16, 2017

Recommended Action:

The Parks and Recreation Board and the Lighthouse Landing Complex Committee recommend that City Council authorize the City Manager to negotiate a long-term lease agreement with Evanston Lakehouse & Gardens (ELHG) (819 Clinton Place, Evanston, 60201) to operate an environmental education center and meeting/event space at the Harley Clarke property. The recommendation includes continuing to reserve the \$250,000 from the CIP budget allocated by the Council in September 2016 for improvements to the property.

Funding Source:

2017 CIP Budget: \$250,000 Project # 616031

This budget item was previously approved by City Council in September 2016 and was carried over to FY2017 CIP budget for repairs to the facility.

Livability Benefits:

Built Environment: Provide people-friendly streets, buildings, parks and neighborhoods
Education, Arts & Community: Preserve and reuse historic structures and sites

Summary

In September 2016, the City Council approved a motion that:

- (1) allocated \$250,000 in CIP funds for immediate improvements at the Harley Clarke property to allow it to be used for 2017 summer recreation programming; and
- (2) directed the Parks and Recreation Board (P&RB) and the Lighthouse Landing Complex Committee (LLCC) to develop a plan for the future operation of the property. The planning process was to include identifying community groups and

nonprofit organizations interested in using the property, identifying additional City program uses and associated costs, and providing for better access to the property. The P&RB and LLCC were to return to City Council with recommendations no later than July 1, 2017.

In response to this direction from City Council, Alderman Revelle (7th Ward) formed the Harley Clarke Planning Committee with P&RB members John Bryan, David Campbell, Emily DeStefano, and Hector Garcia and LLCC member Pam Elesh.

The Committee met regularly through June 2017 with representatives from Evanston Lakehouse & Gardens (ELHG), Evanston Parks & Lakefront Alliance, LakeDance, Lakeshore Sustainability Education Partnership, and many residents interested in the future of the Harley Clarke property. Early in the process, the Committee determined that the ELHG proposal for an environmental education center would serve the Evanston community well. The Committee supports the recommendation that the City Manager negotiate a long-term lease with ELHG for the operation of Harley Clarke.

Other meetings included

March 8, 2017: Update to the Lighthouse Landing Complex Committee

March 16, 2017: Update to the Parks and Recreation Board

April 26, 2017: Well-attended community meeting in the Parasol Room

May 18, 2017: Parks and Recreation Board endorses the ELHG proposal

June 14, 2017: Lighthouse Landing Complex Committee reaches consensus in support of the ELHG proposal

Background

At its first meeting (11/16/2016), the Committee reviewed staff's analysis of the minimum work needed to be able to use Harley Clarke for programs previously held at the Fog Houses and to bring the building up to code. The estimated cost was \$660,000. Concerns were raised about the lack of sufficient funding approved by City Council for this work and the likelihood that the most cost-effective renovation for the children's summer camps would not be optimal for other uses of the building long term.

In addition, staff completed a detailed inspection of the Fog Houses and determined that they had deteriorated to the point that they were no longer safe to use for recreational programming. The estimated cost to complete the necessary roof and masonry repairs was \$400,000. There was no alternate location for these programs, which account for approximately 25 percent of the Ecology Center programming revenue.

The Committee agreed with the staff recommendation that the \$250,000 allocated for improvements to Harley Clarke be reserved for maintaining the integrity of the building itself while the Committee develops a long-term plan for the property and that a portion of unused FY2017 CIP funds be redirected to repair the roof and masonry of the Fog Houses.

The FY2017 Budget approved by City Council (11/28/2016) included the reallocation of \$400,000 of FY2017 CIP funding to repair the roof and masonry of the Fog Houses. The FY2017 CIP budget also includes the carryover of the \$250,000 allocated in 2016 for Mansion repairs.

Legislative History

September 12, 2016: City Council authorized \$250,000 for immediate improvements at Harley Clarke to allow it to be used for 2017 summer recreation programming. The Parks and Recreation Board and the Lighthouse Landing Complex Committee were directed to develop a plan for the future operation of the property.

October 26, 2015: City Council tabled further consideration of the Harley Clarke property until the State of Illinois budget issues had been resolved.

October 12, 2015: City Council discussion continued and staff was directed to gather additional information for continued discussion at the October 26 Council meeting.

September 21, 2015: City Council discussed potential next steps for the Harley Clarke property and held the item for continued discussion at the next regular Council meeting on October 12.

June 8, 2015: Report received by City Council from the Harley Clarke Citizens' Committee.

Attachments

City Council Resolution regarding operation of the Harley Clarke property, 9/12/2016
Evanston Lakehouse and Gardens Business Plan

Harley-Clarke Proposal, Ald. Don Wilson

- A. The Harley Clarke Mansion and Coach House (“property’) will be owned and operated by the City of Evanston.
- B. The City Council will allocate in the FY 2016 CIP \$250,000 for immediate improvements at the property in 2016. The City Manager is authorized to expend up to \$250,000 of these funds for critical repairs to the property.
- C. The City Manager is directed to use the property in 2017 for City-sponsored summer recreation activities only. This will include programs currently using the “Fog Houses” and similar activities. No additional staff will be allocated in FY 2017 for these uses.
- D. The Parks and Recreation Board and Lighthouse Landing Complex Committee, working with the City Manager and appropriate staff, are directed to develop a plan for the future operation of the property beginning in 2018. This plan will include identifying community groups and non-profit organizations that may wish to use the property. The City will also identify additional program uses and associated costs for the property. The plan shall also review and include recommendations to ensure better access to the property through transit/bikes/shuttles, etc. The Parks and Recreation Board and Lighthouse Landing Committee will return to the City Council with recommendations no later than July 1, 2017.
- E. Upon City Council approval of property operational plan and available budget allocations, the property would be regularly open to the public beginning in 2018.
- F. The City will establish a Harley Clarke Mansion account within the Evanston Parks Foundation to receive donations to support the improvements of the property.



Business Plan

June 20, 2017



Historic Preservation • Environmental Education • Community Gatherings

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Executive Summary

Evanston Lakehouse & Gardens (ELHG) is a 501(c)(3) nonprofit incorporated in 2015 to restore and repurpose the Harley Clarke mansion (former Evanston Art Center). Once restored ELHG will provide a welcoming and inclusive experiential education center for environmental education and community gatherings. The project has four primary phases (see Figure 1: Project Timeline):

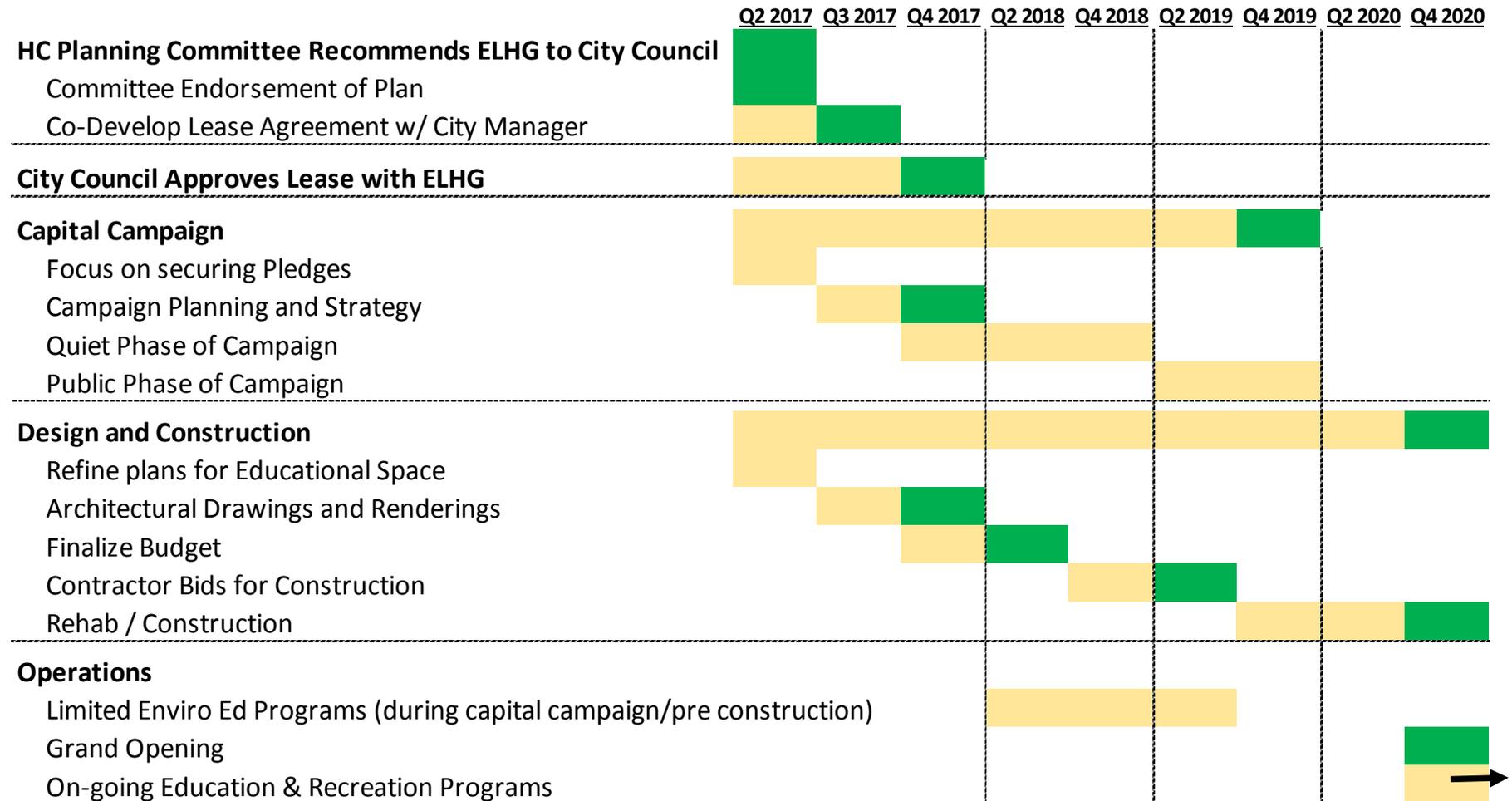
- **Phase 1 - Develop Terms with the City of Evanston:** To conduct fundraising and devote additional resources to the project, it is necessary to have a clear agreement with the City that provides certainty that the project can proceed as benchmarks are achieved. ELHG seeks a 50-year lease (with a renewal provision) at \$1/year, which would provide sufficient long-term certainty for donors and the organization to make investments in the building.
- **Phase 2 – Capital Campaign:** ELHG plans a capital campaign to restore the property and provide an initial stewardship endowment. We estimate the Capital Campaign will require a minimum of 24 months. With \$1 million we can get the experiential education center running on a demonstration basis, and to fully restore the house, coach house and grounds will require an estimated \$5.25 million.
- **Phase 3 – Restoration:** The full restoration of the property will require an estimated 12-18 months. Phasing the work with a demonstration start up (i.e. rehab the first floor of the main house or coach house first), would allow portions of the property to be opened sooner.
- **Phase 4 – Operations:** In partnership with several other community groups, ELHG will operate the property for the public benefit, providing environmental education, outdoor recreation, and community gathering space. ELHG will hire a full-time staff to oversee operations, building maintenance and ongoing fundraising and development activities.

Overall the goals of the project can be described as:

1. Restoring and preserving the physical aspects of the Harley Clarke property, including the Jens Jensen gardens and the historic structures, with recognition of their contribution to Local Landmark and National Register status.
2. Providing a meaningful educational experience to people who visit ELHG, taking advantage of the unique environment and setting afforded by ELHG and surrounding natural spaces, with a focus on hands-on educational experiences related to the Great Lakes and associated environments and broader issues of sustainability.
3. Providing a rewarding leisure experience and community gathering space that enhances the Evanston community and the neighborhood.

We seek to achieve the above goals through a variety of programs and activities, some of which will be free and some of which will entail a fee, so that the overall operation will be financially self-sustainable. The ELHG Board of Directors is committed to ensuring an appropriate balance of programs and activities that will meet both these goals and the needs of the community.

Figure 1: Evanston Lakehouse Project Timeline



Mission and Purpose

The mission of Evanston Lake House & Gardens (ELHG) is to preserve and restore the Harley Clarke Mansion by creating an inspiring community space that fosters appreciation of the environment and the rich cultural history of Evanston.

ELHG's plan has the following elements:

- A restored and repurposed Harley Clarke building;
- A commitment to socially and economically inclusive programming that will be inviting to people from all corners of our community and to visitors from outside Evanston;
- Assurance that the building and Jens Jensen gardens will remain open to the public;
- An array of environmental education programming, outdoor recreation, cultural tourism, and community meeting space;
- Rental of the building for events and meetings as well as rental space for a planned light-fare café to further our mission of connecting people with the environment and to financially support the nonprofit operations of the property.

All of these elements are consistent with the Lakefront Master Plan, which was unanimously approved by the Evanston City Council in 2008.

Core Values

Evanston Lakehouse & Gardens has adopted the following Core Values to guide us in our work to restore and repurpose the Harley Clarke property:

- **Visitor Experience:** ELHG will create an inspiring, enjoyable and educational experience for all residents of Evanston and for visitors.
- **Community:** ELHG will serve the community and provide a unique space on the lakefront. ELHG will collaborate with residents, local governments, institutions, nonprofits, and businesses to achieve mutual educational, cultural and economic goals.
- **Education** – ELHG will provide educational experiences in partnership with schools and nonprofits to leverage the property's unique historical, cultural and environmental resources.
- **Environment** – ELHG will restore and maintain the Jens Jensen gardens as a peaceful, ecologically sustainable site for reflection and appreciation of the environment.
- **Stewardship** – ELHG will ensure the long-term viability of the community mansion through robust programming, a solid financial plan, and development of a strong board and membership.

Partners

Over the past 24 months ELHG has reached out to a variety of partners who have an interest in our work. Several of these organizations have written [Letters of Support](#), and many others are currently actively engaged in helping to develop the ELHG program and curriculum. Two primary partners focused on experiential environmental education are [LakeDance](#) and the [Lakeshore Sustainability Education Partnership](#).

Finances and Fundraising

ELHG has been conducting grassroots fundraising to support our ongoing advocacy and planning efforts to create a viable partnership with the City of Evanston. To date, we have raised \$11,848 from more than 70 individual donors to support our administrative and marketing expenses (see Figure 2). Our current Income Statement does not reflect the countless hours of in-kind services from our volunteers, board members and partners.

Figure 2. Evanston Lakehouse & Gardens Income Statement, Aug 11, 2015 to June 5, 2017.

Revenues	
Donations	\$ 11,848
Total Revenues	\$ 11,848
Expenses	
Administrative	\$ 69
Banking Fees	\$ 126
Website	\$ 156
Events	\$ 123
Legal/Tax Fees	\$ 870
Marketing	\$ 2,964
Total Expenses	\$ 4,308
Cash Position	\$ 7,540

We know that there is significantly more capacity and interest in the project from our existing donor base. However, to realize major capital gifts, an agreement with the City of Evanston providing certainty is required. In the meantime, we are working to secure pledges, which further demonstrate the strong support in the community. ELHG anticipates pairing its private fundraising with the \$250,000 that the City Council previously approved for critical repairs to Harley Clarke. There are also a variety of grant programs for historic preservation and environmental restoration and education that ELHG plans to pursue (Appendix 3).

ELHG has spoken with several experienced local fundraisers to outline a fundraising scenario for the project which reflects the Restoration Plan and Budget outlined below. ELHG projects that the Capital Campaign will require a minimum of 24 months to complete and will include hard and soft costs associated with the restoration as well as an operational start-up fund that will be used as working capital over the first 3 to 4 years of operations.

ELHG anticipates that the lease agreement with the City will detail fundraising benchmarks that will set a schedule of targets to meet on the way to successful completion of the capital campaign.

Restoration Plan and Budget

ELHG's restoration plan and budget are based on the intended uses of the building as well as a review of all pre-existing architectural and engineering studies of Harley Clarke and our own assessment of the building conducted during two separate Open Houses (August 2016 and February 2017). We were greatly assisted in these efforts by Kihm Residential, WWBrown, Inc, Thomas O'Conner Associates Architects, and Wiss Janney

Elstner Associates, all qualified professionals who have previously worked on restoring historic, architecturally significant buildings.

While we believe our estimates below to be reasonable (Figure 3), a final budget will require additional access to the building for more detailed assessments and planning. To bring the building up to code and begin operations at an initial, demonstration scale, would require approximately \$830,000 of new fundraising. This reflects the \$250,000 the City Council allocated for the building in October 2016 and pledges that ELHG has already received. To complete subsequent phases of the restoration we estimate an additional \$3.8 million will be required.

Figure 3. DRAFT Restoration and Capital Campaign Budget.

<u>Initial Restoration - Code Compliance and Demonstration Scale</u>	
Code Compliance	550,000
Initial Education Lab	225,000
Initial Community Meeting Space	225,000
2-yrs Operational startup	125,000
Subtotal Demonstration Scale	1,125,000
(less) City Funds Allocated Oct. 2016	(250,000)
(less) Current ELHG Cash & Pledges	(45,000)
New Fundraising for Demonstration Scale	830,000
<u>Full Restoration - Additional Expenses</u>	
Main House Construction	2,023,424
Coach House Construction	750,000
Subtotal Additional Construction	2,773,424
Landscaping - Jens Jensen Garden	200,000
Furniture Fixture & Equipment	250,000
Phone & Data	35,000
Signage & Exhibits	25,000
Subtotal Other Hard Costs	510,000
Architects and Engineers	300,000
Landscape Architect	50,000
Insurance/Builder's Risk	5,000
Permits	30,000
Other Consultants, Landsacpe Architect	130,000
Subtotal Soft Costs	515,000
Additional Fundraising for Full Restoration	3,798,424
Additional Operational Startup	455,000
Total New Fundraising Required	5,083,424

Operations

ELHG will feature experiential educational and community programming designed to engage and inspire residents and visitors of every age to connect with the natural environment, historic architecture and each other.

Education – The house, surrounding grounds, and adjacent public beach and lighthouse will provide both a living learning laboratory and an engaging backdrop for experiential education related to the environment (especially the Great Lakes), history and architecture. ELHG will emphasize hands-on, experiential education opportunities that are not available in the classroom setting.

- The house can serve as a multi-disciplinary field trip destination for Evanston's and neighboring communities' schools, for the Evanston Ecology Center, and for community organizations such as the YMCA and Y.O.U.
- ELHG is a member of the Lakeshore Sustainability Education Partnership (LSEP), which also includes NU Center for Water Research, NU Office of STEM Partnerships, NU ETHS Partnership Office, NU Science in Society, LakeDance, District 65, District 202, Alliance for the Great Lakes, City of Evanston Water Treatment Plant, and Y.O.U.
- The historic Jens Jensen gardens can serve as an outdoor classroom to study biology, ecology and landscape architecture.
- High school **vocational training** possibilities exist through the rehab process, sustainable urban gardening, urban water management and as staff to help manage building operations and programs.

Two important partners for ELHG's educational programming are LakeDance and LSEP. LakeDance is an experiential Great Lakes study program that facilitates school-based ecology units and out-of-school performance workshops. Bringing together students, teachers, environmental leaders and artists, LakeDance aims to create a locally relevant immersive experience in art and science. LakeDance currently provides the Pipes and Precipitation program to all 3rd and 6th graders in District 65, which teaches kids about water resources, drinking water and stormwater. The program currently includes tours of the City of Evanston Water Treatment plant and a visit to Lighthouse beach.



The Lakeshore Sustainability Education Partnership (LSEP) links schools, community organizations, and scientific organizations to foster scientific thinking, develop connections with nature, and inform sustainable living in Great Lakes communities through experiential learning centered on the Lake Michigan lakeshore. LSEP creates learning opportunities for students of all ages, with a focus on programs that provide unique experiences centered around the Evanston Lakeshore and Living Learning Laboratories. LSEP is working to develop an environmental education curriculum that is aligned with the new Next Generation Science Standards that are currently being adopted by District 65. While LSEP's interests are broader than, and independent from, the restoration of Harley Clarke, it is recognized that a restored Harley Clarke would provide a unique home for many of the programs that LSEP envisions.



Further, an experiential education center at Harley Clarke can help Evanston schools implement the [Next Generation Science Standards](#) (NGSS), which were adopted by the Illinois State Board of Education on February 19, 2014 and went into effect beginning in the 2016-17 School Year. The NGSS emphasize the scientific process and doing real world, hands-on experimentation, which Evanston Lakehouse would facilitate. ELHG will provide real world learning that bridges the classroom and community through science education in an authentic setting.

Outdoor Recreation and Healthy Lifestyles – The restored building and gardens can also help to promote healthy lifestyles. The Lighthouse Landing park complex is currently used by many groups, including garden clubs, running clubs, yoga groups, cycling clubs, birders, beachgoers and walkers. The flexible indoor space, shelter from the elements and restrooms provided by ELHG will enhance the experience of these visitors and allow for year-round activities. We have begun discussions with the City and with community organizations interested in expanding their outdoor recreation offerings to the site. Potential users include expanded City of Evanston Parks and Recreation camp offerings (e.g., Ecology Camp), the YMCA and senior groups.

Exhibit and Community Meeting Space – With its setting on Lake Michigan and adjacent to serene park space, ELHG will provide exceptional space for appreciation of the arts, including indoor and outdoor music performances, historical and art exhibit space and cultural gatherings. ELHG will also provide community meeting space for local nonprofits and citizen and neighborhood groups.

ELHG plans to make the mansion available for event rentals that are consistent with connecting people to the natural environment and each other. We believe that the restored mansion, with its lakefront setting, will become a unique destination on the North Shore. Events may include birthday parties, cooking classes, nonprofit fundraising events, garden club events, corporate meetings and retreats, wedding and baby showers, bar mitzvahs, birthdays, and anniversaries. There are several examples of successful public and nonprofit mansions that use event rentals to provide a source of revenue to support a sustainable business plan for these historic buildings.

In scheduling events, ELHG will be considerate of the many other public uses of the Lighthouse Landing complex and the surrounding residential neighborhood. Further ELHG proposes to offer event space at a heavily discounted rate for nonprofits and community groups to ensure fair access to the house. Event rental is consistent with the Lakefront Master Plan, which states on Page 91, “The plan proposes to make use of the beautiful grounds of both the Arts Center and Lighthouse for low impact public functions such as weddings and small receptions, and an improved event lawn is proposed for the space east of the Lighthouse, between the Fog and Signal houses.”

Revenue

ELHG has developed our plan under the assumption that the enterprise must be financially self-sustaining. The business plan contemplates compatible uses consistent with the Lakefront Master Plan to generate sufficient revenue to fund a professional staff and building maintenance so that ELHG can fulfill its mission of education, historic preservation and outdoor recreation. Revenue for sustainable operations of the property will come from the following sources (see Figure 4 and Figure 5):

1. **Program Fees:** When school groups visit the Lakehouse education center, there will be a small fee per individual. In our current model we assumed an initial fee of \$2 per person. This compares favorably

with other experiential education facilities in the area. For example, at The Grove in Glenview, the average fee is \$6.25 per person and brings in \$120,000 per year. We did not factor in revenue from other potential sources such as expanded City of Evanston Camps, cooking classes, and programs for seniors, which would represent additional upside.

2. **Grants and Donations:** ELHG will pursue federal, state and local grants to support the programs and the historic preservation of the building and Jens Jensen gardens. Further, we will develop a 'Lakehouse Stewards' program for annual donations similar to many nonprofit membership programs. Finally, we will work to have a planned giving program for larger philanthropic gifts. Current estimate of philanthropic revenue is approximately \$150,000 per year (See Appendix 3 for selected grant opportunities).
3. **Event and Meeting Rentals:** ELHG will rent the house for appropriate events. Other comparable venues in the area (Woman's Club of Evanston, The Grove) are currently turning people away because they are fully booked. The Redfield Estate facility at the Grove is booked two years in advance. With its lakefront location, architectural details and rich natural history, ELHG would offer a unique and premium event space on the North Shore. Events would generate business for local caterers, hotels and bus/shuttle companies, which would create jobs and generate tax revenue for the City of Evanston.
4. **Café Rental:** ELHG will rent space to a light fare café. In year one, the projected rental rate is \$5,000 per month, increasing to \$8,000 per month in year five. ELHG's Board has interviewed several café operators – both in Evanston and Chicago – who have confirmed that the site is viable and attractive and that they would be interested in opening a new location. The café would not only support ELHG's operations, it would also create jobs and generate tax revenue for the City of Evanston.

Operating Expenses

Projected Operating expenses reflect the costs of a full-time staff to run ELHG and deliver educational programs and maintain the building and grounds. Expenses for building maintenance, grounds maintenance, utilities, insurance, bookkeeping, fundraising and marketing are included in our projections (Figure 4). Projections are based on comparable public and nonprofit historic buildings for which data was available, including The Grove, The Woman's Club of Evanston, Highfield Hall in Falmouth, Massachusetts, and The Evanston Art Center (prior to relocation).

Figure 4. Pro Forma 5-year Budget

<u>Revenue</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
<u>Donations and Gifts</u>							
Capital Campaign, Grants, Planned Giving	50,000	3,000,000	2,400,000	100,000	125,000	150,000	5,825,000
Annual Giving - Lakehouse Stewards Program	0	50,000	50,000	55,000	55,000	60,000	270,000
Subtotal Donations and Gifts	50,000	3,050,000	2,450,000	155,000	180,000	210,000	6,095,000
<u>Program Revenue</u>							
Educational Programs			4,000	6,400	24,000	32,000	66,400
<u>Events and Rentals</u>							
Large Event Rentals	-	0	36,000	98,000	144,000	216,000	494,000
Corporate and Small Group Rentals	-	0	8,400	36,000	48,000	61,000	153,400
Café Rental Income		0	60,000	72,000	84,000	96,000	312,000
Seasonal Events		0	30,000	35,000	35,000	35,000	135,000
Investment Income		255	5,433	2,420	1,466	1,481	11,056
Total Revenue	50,000	3,050,255	2,593,833	404,820	516,466	651,481	7,266,856
<u>Operating Expenses</u>							
Staff Salaries and Benefits	0	50,625	300,038	309,039	318,310	327,859	1,305,870
Utilities	0	22,500	30,000	30,900	31,827	32,782	148,009
Building Maintenance	0	0	50,000	51,500	53,045	54,636	209,181
Gardens and Grounds Maintenance	0	0	25,000	25,750	26,523	27,318	104,591
Marketing			15,000	15,450	15,914	16,391	62,754
Insurance		20,000	20,600	21,218	21,855	22,510	106,183
Bookkeeping and Accounting	5,000	5,150	5,305	5,464	5,628	5,796	32,342
Other program related expenses	0	0	30,000	30,900	31,827	32,782	125,509
Subtotal Operation and Maintenance	5,000	98,275	475,942	490,220	504,927	520,075	2,094,439
Fundraising expenses	25,000	35,000	20,000	10,000	10,000	10,000	
<u>Capital / Restoration Expenses</u>							
Building Restoration and contractor expenses		2,399,212	2,399,212	0	0	0	4,798,424
Total Expenses	30,000	2,532,487	2,895,154	500,220	514,927	530,075	7,002,863
Net Income / (Loss)	20,000	517,768	(301,321)	(95,400)	1,539	121,407	263,993
Operating Reserve / Cash Balance:	5,542	25,542	543,310	241,990	146,589	148,128	
(+) Net Income / (Loss)	20,000	517,768	(301,321)	(95,400)	1,539	121,407	
Operating Reserve at end of Year	25,542	543,310	241,990	146,589	148,128	269,535	

Figure 5. Revenue Assumptions Summary

<u>Revenue Source</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Notes</u>
# of Education Program Participants			2,000	3,200	8,000	8,000	
Revenue per Participant (\$/person)			2	2	3	4	school groups and other childrens programming
# of Large Events			6	14	18	24	Utilizing entire first floor (weekends and evenings, so not conflicting with educational programming
Revenue per large event (\$/event)			6,000	7,000	8,000	9,000	
# of corporate rentals			6	24	28	32	renting 1-2 rooms for a company retreat or conference
Revenue per corporate rental (\$/rental)			1,000	1,250	1,250	1,500	
# of small group rentals			12	24	52	52	
Revenue per small group rental (\$/rental)			200	250	250	250	community groups, book club, studio space,

***Note:** does not assume revenue from potential uses such as expanded Ecology Camp, Aquatics Camp, Cooking Classes, Senior programs or other potential uses.

Staffing Model

ELHG will have a full-time professional staff to ensure proper stewardship of the facilities, further educational and cultural programming goals and conduct nonprofit management and fundraising. Initially ELHG will hire four full-time staff members:

- *Executive Director* - Provides overall nonprofit management, with responsibility for developing partnerships and programming, supporting the ELHG board and cultivating donors.
- *Education Director* - Coordinates educational programs and works with the members of the Lakeshore Sustainability Education Partnership, Evanston schools, and North Shore and Chicago area schools.
- *Events Coordinator* – Coordinates and books events and ensures that events are respectful of the neighborhood and the mission of ELHG.
- *Facilities Manager* - Maintains the building, gardens and facilities for delivery of programming.

Governance

ELHG is governed by an eight-person Board of Directors (Appendix 1). We plan to grow our board to include experts in our areas of operations and representatives from the City of Evanston. We suggest that the City have several seats on the board to ensure adherence to the terms of the City-ELHG lease agreement. These representatives could include the 7th Ward Alderman, the Director of Parks, Recreation and Community Services, and a representative from the Parks and Recreation Board. We also recognize that over the long term, the City's needs may change, and ELHG may need to adapt to meet new circumstances. The Board would be responsible for helping with these strategic decisions.

FAQs & Concerns

- **Cost to the City**
Annual operations and maintenance costs will be the responsibility of ELHG and its partners, not the City. Private donations will be raised for the renovation, which will be supplemented by the \$250,000 allocated by the City Council in September 2016, and any other funds approved by the Council to support the public benefits of the project.
- **Parking**
There are currently 58 parking spaces at the Lighthouse Beach parking lot. From October to May the parking lot is rarely full, and it is unlikely that regular ELHG programming will create a parking problem during these eight months. From June to September, however, the parking lot is already oversubscribed. ELHG will encourage all visitors to use public transportation or bikes for regular visits, especially during the summer months. The Purple Line 'el' stop is four blocks west of ELHG and the 201 CTA bus stops at the corner of Central and Sheridan, adjacent to ELHG. We also suggest that a Divvy Station be installed at the property to improve access and further reduce congestion, and we plan to add additional secure bike racks as part of the restoration.

All large events at ELHG will be required to use a shuttle or valet service to minimize impact on the property and the neighborhood. Suggested locations for valet services include NU's North Campus Parking Garage, NorthShore Evanston Hospital garage and the Orrington school blacktop (currently used for NU Football parking).

- **Impact of Events on the neighborhood**

Large group events will be limited during the summer months (June to September) to minimize neighborhood congestion. ELHG suggests allowing for four summer events initially, which will garner high rents and thus help support ELHG's core mission of environmental education and historic preservation. This would represent 4 days out of 120 days in summer months. These dates could be awarded through a lottery system if they are in high demand. All events will be required to end by 10pm on weeknights (Sunday-Thursday) and by 11pm on weekends (Friday-Saturday). Strict adherence to the City's Noise Ordinance will be required for all events.

In our current 5-year Budget, we project 6 large group events in our first year of operation (6 months), increasing to 24 in our fourth year of operation. This represents only 24 days out of 365 days per year.

- **Trash Collection and Delivery Trucks**

Refuse and recycling collection is currently provided at Lighthouse Beach and the surrounding parks by the City of Evanston, with pickups scheduled roughly twice/week in the summer months. The current trash receptacles are residential-size containers. ELHG proposes adding containers of appropriate size with animal proofing. A more frequent collection schedule could also help the public beach, which commonly has overflowing trash bins, especially on summer weekends. Deliveries of food or other items related to events will be limited to normal business hours, 9am – 6pm.

Risks

There are several risks to our business plan, which we believe can be mitigated through thoughtful and active management by ELHG's staff and board. Risks include:

- Insufficient Fundraising – ELHG can phase in the building rehab and the growth of programs.
- Low Operating Revenue – ELHG will remain flexible and creative in exploring grants, partnerships and new revenue models to ensure sustainable operations to deliver on our charitable purpose.

Successful Case Studies

There are many examples of successful precedents for the ELHG business model regionally and across the country, which have informed this strategic plan. Following is a brief summary of some successfully restored community mansions.

The Grove, Glenview, IL – [The Grove](#) in Glenview is 143 acres of ecologically diverse prairie grove land preserved and maintained by the Glenview Park District. The Grove was the home of Dr. John Kennicott whose son, Robert Kennicott, is known for his plant and animal specimen collections at the Smithsonian Institution in Washington, D.C., for founding the Chicago Academy of Sciences, and for the exploration of Russian America that led to the purchase of Alaska. The Grove was designated a National Historic Landmark by the U.S. Department of the Interior in 1976. It is on the National Registry of Historic Places. The Grove partners with the U.S. Fish and Wildlife Service and Chicago Wilderness on habitat preservation and educational programming.

Visitors can learn about native plants, animals and the environment at the Interpretive Center, connect with nature and history through workshops and hands-on programs, and walk the winding nature trails.

The Grove includes the [Redfield Estate](#), which was built in 1929. It faces a wide, grassy clearing where weddings and receptions take place year-round and deer gather at twilight. A large main room provides a gracious setting

for parties and reunions. The wooded environment surrounding Redfield Estate includes two gazebos, a reflecting pool, and tranquil gardens that are ideal for special events.

Highfield Hall and Gardens, Falmouth, MA – [Highfield Hall and Gardens](#) is a restored 1878 estate that now serves as a vibrant center of cultural and community life on Cape Cod. In 1994 a group of citizens formed the Highfield Hall and Gardens nonprofit to rescue the building from demolition after several decades of neglect. They secured a lease from the Town of Falmouth for \$1 per year with Highfield Hall responsible for all repairs and maintenance of the building. They ultimately raised \$8.5 million to restore the building and fund an endowment for their organization. They now successfully operate the mansion as a community and cultural center with a variety of events and exhibits that make the organization financially self-sufficient. In addition, they continue to have a development program to raise private donations to supplement revenue from events and programming. Today Highfield Hall has over \$8 million in assets, of which over \$2 million is in cash and investments, which serve as an endowment.

Berger Mansion, Chicago, IL – The [Berger Mansion](#) is part of the Chicago Park District. The property includes two of the few remaining Sheridan Road mansions built in the early 1900s. In 1988, the Park District rehabilitated the homes, which are now used as a recreational building and a cultural center. The park includes a historic landmark coach house that for the past 9 years has hosted the [Waterfront Café](#), which has become a popular destination and raised the profile of the park overall. Berger offers a variety of cultural programs such as jewelry making, acting, guitar, tap, modern, flamenco, senior line dance and much more. It also offers many activities, including senior aerobics, computer programming, and writing classes; and theater and music programs for children and adults.

Cheney Mansion, Oak Park, IL – The [Cheney Mansion](#) in Oak Park was designed in 1913 by Charles E. White, Jr., a student of Frank Lloyd Wright. The 10,000 square foot mansion has several reception rooms and 2.5 acres of landscaped grounds. The property is currently managed by The Park District of Oak Park. The grounds are open to the public and the mansion is available for self-guided tours, unless there is a private event. The mansion has become a premier event destination in Oak Park for fundraisers, community events and weddings. Since hiring a full-time professional director, the Cheney mansion has had an operating surplus based on the strong demand for event space.

APPENDIX 1: ELHG Board of Directors

Thomas Hodgman - Tom is the Director of Conservation Transactions for The Nature Conservancy, a global environmental nonprofit. Tom is responsible for developing and structuring large landscape conservation projects with a particular focus on forest conservation. Since joining The Nature Conservancy in 2011, Tom has led conservation acquisitions of over 170,000 acres (\$150 million) in places such as the Olympic Rainforest and Cascade Mountains of Washington and the Crown of the Continent in Montana. An ETHS alum (1999) and former Camp Echo counselor and trip guide, Tom has a deep and abiding love for Evanston. Tom holds a B.A. from Wesleyan University in Environmental Science, a Masters in Forestry from the Yale School of Forestry, and an M.B.A. from the Yale School of Management. He lives in Evanston with his wife, Amy, his son, Sam, and his daughter, Quinn.

Patrick L. Donnelly - Patrick is a Television Commercial Executive Producer, with an emphasis on budgets and accounting for television production. He has produced commercial shoots and national campaigns for many Fortune 500 companies including Allstate, Best Buy, Craftsman Tools, Target, the Chicago White Sox, and NASCAR. He received his B.A. from Ohio University in Film and Television and is a graduate of St. Ignatius High School.

Alexander Block – Alex is a committed public organizer and a lifelong Evanstonian. He currently works in development at the Sargent Shriver National Center on Poverty Law. Previously, he was a fundraiser for Ohio Citizen Action and before that worked for Congresswoman Jan Schakowsky in Washington, D.C. and for President Barack Obama in Ohio. Alex serves on the board of the Evanston Police & Fire Foundation and is a graduate of Miami University.

Bill Brown – Bill has been an Evanston resident for 40 years. Since 2012, Bill has provided project management services in the planning and execution of construction and major maintenance projects through his consulting firm, WWBROWN INC. Major clients have included First United Methodist Church, St. Mark's Episcopal Church, Y.O.U., Evanston History Center, and Old Westbury Gardens in New York, as well as several private historic residences. Previously, Bill worked at Lincoln Park Zoo, Northwestern University, and served as Vice President of Facilities and Planning at the Chicago Botanic Garden for 18 years. During his time at CBG, he completed 40 projects with a combined value of nearly \$140 million. Bill earned an undergraduate degree from Hobart College, an MA from Syracuse University, and an MBA from Northwestern University. Bill has completed 6 years as Trustee of the Evanston History Center, including Chair of its Facilities Committee for the last year. He served on the Board of Y.O.U. in the late 1980s and consulted with the agency on facilities matters from then through the schematic design phase of their new Headquarters Building. As a member of First United Methodist Church for over 30 years, Bill has served multiple terms as Trustee and is currently Chair of its Board of Trustees.

Jeffrey P. Smith - Jeff, a longtime Evanston resident, earned his B.A. at Northwestern and his J.D. at Harvard Law School, where he was an editor of the Harvard Civil Rights-Civil Liberties Law Review. Well-known for his knowledge of environmental issues, Jeff served from 2013-2015 as General Counsel of the Illinois Department of Natural Resources and earlier in his career as assistant corporation counsel for the City of Chicago. His extensive volunteer record includes appointment to City of Evanston and State of Illinois task forces studying offshore wind energy, three terms as president of the well-respected community organization, the Central Street Neighbors Association (CSNA), and service on the initial board of directors of Citizens' Greener Evanston.

Emily Williams Guthrie – Emily has been an Evanston resident since 1970, serving as Third Ward Alderman from 1993 until 1997. She is the founder and first President of the Warren Cherry Scholarship Fund. Emily serves as treasurer of the Preservation League of Evanston. In 2007 she co-chaired the Save the Civic Center campaign. Since 1984, she has been the Chairman of Evanston Safety Town. Today, Emily is a lawyer, real-estate agent, yoga teacher and mother of two.

Benjamin Lumpkin - Ben is a fiction writer and screenwriter/story editor for documentary and narrative film. He previously served as a Director of First Mid-Illinois Bank & Trust, National Association and First Mid-Illinois Bancshares Inc. from January 2009 to July 2014. He also served as a public relations officer for an international outreach program at Yale and is a regional Emmy Award Winning writer. Ben received his Bachelor's degree in History from Yale University and Master's degree in Journalism from Northwestern University.

John J. Walsh - John is a law firm partner and trial lawyer focusing on the defense of attorney, physician, and nursing home liability cases, employment discrimination, and civil rights and law enforcement liability. He has successfully tried more than 50 cases to verdict as lead trial counsel in state and federal courts in northeastern Illinois. John has a J.D. from Loyola University of Chicago School of Law and a B.A., magna cum laude, from the University of Notre Dame. His bar admissions include the Illinois Supreme Court, U.S. Court of Appeals for the 7th Circuit, U.S. District Court for the Northern District of Illinois, General and Trial bars, and the U.S. District Court for the Western District of Wisconsin. He has been recognized as an Illinois Super Lawyer® in 2009-15. John is a 39-year resident of Evanston, former Board member of the Evanston Mental Health Association, a founding member of the Central Street Neighbors Association (CSNA), and its current President. He is a former city reporter for the Evanston Review.

APPENDIX 2: Partners, Letters of Support and Pro Bono Services

ELHG has been working with several partners and professionals who have provided pro bono services. Further, many of our partners have written [letters of support](#) for our efforts and the programming ELHG would provide. We have received pro bono services to support our efforts from many businesses, including Glantz Design, Kihm Residential, WWBrown, Inc, Thomas O'Connor Associates Architects, Wiss Janney Elstner Associates, Stuart-Rodgers Photography and LakeDance.

Our partners have a variety of interests in the project, and can broadly be organized by theme as follows:

- **Historic Preservation and Architecture:** Landmarks Illinois, Preservation League of Evanston, WWBrown, Inc, Benjamin Historic Certifications, Kihm Residential and Anthemios Control Corporation, Thomas O'Connor Associates LLC, Wiss Janney Elstner Associates.
- **Open Space Preservation and Environmental Education:** LakeDance, Liberty Prairie Foundation, Alliance for the Great Lakes, Lakeshore Sustainability Education Partnership (NU Center for Water Research, NU Office of STEM Education Partnerships), District 65 STEM Program, District 202, LakeDance, Evanston Lakehouse & Gardens, Alliance for the Great Lakes, City of Evanston Water Department).
- **Local Community Groups:** Central Street Neighbors Association.
- **Local Businesses:** Ananda Within Yoga, Heritage Bicycles, Stuart-Rodgers Photography.

APPENDIX 3: Potential Grant Funding Opportunities

These potential grant-funding opportunities are from the City of Evanston City Council Meeting packet from October 12, 2015.

Dune Restoration:

Staff reviewed both state and federal agencies as well as private foundations that have program areas from which the City and partners could seek potential funding if dune restoration was necessary. Agencies and Foundations include:

- **Grand Victoria Foundation.** From the GVF website: “We invest our resources to strengthen early education opportunities for young children, protect natural lands and waterways, and promote economic vitality through robust employment development.” Funding is available to registered public charities that engage in projects that “promote public policies, instituting high quality stewardship and conservation practices, and aligning resources and actions to maximize land and water health and resilience.” Letters of inquiry for grant programs are due the first Fridays in May and October. Projects that have been funded include restoration of wetlands and prairies, acquisition of land for conservation, organizational and operational support, and training activities. More information can be found at the Grand Victoria Foundation’s [website](#).
- **Gaylord and Dorothy Donnelly Foundation.** From the Foundation’s website, “We offer general operating and project-specific grants that lead to landscape-scale land preservation and stewardship. We support efforts throughout the Chicago region with a current focus on five priority landscapes: Calumet, Forest Preserves of Cook County, Grand Kankakee, Hackmatack National Wildlife Refuge and Midewin National Tallgrass Prairie.” According to the Foundation’s [website](#), several grant recipients over the past few years have had work associated with coastal management and dune restoration. Recipients include the Dunes Learning Center, Save the Dunes Conservation Fund, and the Alliance for Great Lakes.
- **The Great Lakes Restoration Initiative** awards approximately \$13.9 million under a Request for Applications for projects each year that further the goals of the Great Lakes Restoration Initiative. The initiative is a partnership of federal, tribal, state, and local partners. Each year a series of categories are identified and applicants apply if they meet that year’s initiatives. The 2015 categories are 1) Invasive Species Prevention; 2) Invasive Species Control; 3) Urban Watershed Management Implementation; 4) Agricultural Watershed Management Implementation; and 5) Maumee River Watershed Nutrient Prevention Pilot Program. Each year the categories are different; past grant categories have included items such as reducing exposure to toxic substances from fish consumption, Lake Erie Cooperative Science and Monitoring Initiative. Funding for these projects is through the U.S. EPA, U.S. Fish & Wildlife, and U.S. Forest Service.
- **Sustain Our Great Lakes (SOGL).** [SOGL’s website](#) states, “The mission of Sustain Our Great Lakes (SOGL) is to sustain, restore and protect fish, wildlife and habitat in the Great Lakes basin by leveraging funding, building conservation capacity, and focusing partners and resources toward key ecological issues.” Administered by the National Fish and Wildlife Foundation, the program receives funding and other support from ArcelorMittal, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, U.S.D.A. Forest Service, National Oceanic and Atmospheric Administration, and U.S.D.A. Natural Resources Conservation Service. A significant portion of program funding is provided by the Great Lakes Restoration Initiative (GLRI), a federal program designed to protect, restore and enhance the Great Lakes ecosystem. The program achieves its mission, in part, by awarding competitive grants for on-the-ground habitat restoration. Funding priority is given to projects that restore aquatic connectivity, stream and riparian habitat, wetland habitat, and coastal habitat. Sustain Our Great Lakes offers funding annually, and grant awards range from \$25,000 to \$1.5 million. Eligible recipients include non-profit organizations, state, tribal and local governments, and educational institutions.
- **Syndication of the Federal Tax Credits.** Syndication involves the transference of the tax credits to a corporate investor in exchange for additional equity capital that can help finance the project. There are

many large corporate entities that can syndicate federal tax credits. One such entity is the for-profit arm of the National Trust for Historic Preservation: the National Trust Community Investment Corporation (NTCIC), which makes equity investments in real estate projects that qualify for federal historic tax credits and when available, state historic tax credits and New Markets Tax Credits.

- **Cook County Class L Incentive Program.** Administered by Cook County Assessor's Office, this incentive provides a reduced property tax assessment ratio to a locally designated industrial or commercial property that has undergone a rehabilitation whose budget is at least 50% of the building's market value.
- **Preservation Heritage Fund Grants.** This grant program is administered by Landmarks Illinois. This grant and loan program provides monetary assistance to preserve or protect significant structures or sites in the state of Illinois that are under threat of demolition, imminent deterioration, or are of such architectural importance that their preservation will benefit the public and Illinois community.
- **The Architectural and Transportation Barrier Removal Deduction.** Administered by the IRS. See also Chapter 11 in Publication 535, Business Expenses. This is the same program as the 50% Disabled Access Tax Credit. This is a deduction (not a credit) of up to \$15,000 per year of the costs of making a facility or public transportation vehicle more accessible to, and usable by persons who are disabled or elderly by removing barriers.
- **Public Museum Grants Program.** Administered by the Illinois Department of Natural Resources, Illinois State Museum. This program is designed to assist museums in expanding and upgrading facilities and creating new exhibits to enhance the ability of public museums to meet their missions.
- **Matching Grants from the National Trust for Historic Preservation** Administered by the National Trust for Historic Preservation. The National Trust has a variety of matching grant programs for non-capital projects, including the Preservation Services Fund, which provides funding to non-profit, public agencies, or educational institutions for consultant services, educational programs, or conferences.
- **Donnelley Preservation Fund for Illinois:** Provides non-profit organizations and public agencies matching grants from \$500 to \$5,000 (typically from \$3,000 to \$5,000) for preservation planning and education efforts. Funds may be used to obtain professional expertise in areas such as architecture, archeology, engineering, preservation planning, land-use planning, fundraising, organizational development and law as well as preservation education activities to educate the public, owners, and business owners. Many organizations have found that these funds provided the crucial boost to get a project off the ground and attract other potential contributors to the project. There is one grant round per year on February 1, with an additional round on June 1 and October 1, depending on the availability of funding. The Preservation Fund application is available online.
- **Alphawood Foundation:** A Chicago-based, grant-making private foundation working for an equitable, just, and humane society. Each year they award grants to organizations, primarily in the areas of advocacy, architecture and preservation, the arts and arts education, promotion and protection of the rights of LGBT citizens and people living with HIV/AIDS, and other human and civil rights. Notably, they provided a \$10 million grant to help restore the Frank Lloyd Wright Unity Temple in Oak Park, Illinois, and a \$2 million grant towards the 606 linear urban park in Chicago.
- **Driehaus Foundation:** The Driehaus Foundation benefits individuals and communities by supporting the preservation and enhancement of the built and natural environments through historic preservation in neighborhoods throughout Chicago, encouragement of quality architectural and landscape design, and conservation of open space. The Foundation also supports arts and culture, investigative reporting and government accountability, and organizations that provide opportunities for working poor people. Today the Foundation awards approximately \$5,000,000 annually in grants, a portion of which is in partnership with the John D. and Catherine T. MacArthur Foundation.
- **Johanna Favrot Fund for Historic Preservation:** Provides non-profit organizations and public agencies matching grants ranging from \$2,500 to \$10,000 for projects that contribute to the preservation or the recapture of an authentic sense of place. Individuals and for-profit businesses may apply only if the

project for which funding is requested involves a National Historic Landmark. Funds may be used for professional advice, conferences, workshops and education programs.

- **Cynthia Woods Mitchell Fund for Historic Interiors:** Provides nonprofit organizations and public agencies matching grants ranging from \$2,500 to \$10,000 to assist in the preservation, restoration, and interpretation of historic interiors. Individuals and for-profit businesses may apply only if the project for which funding is requested involves a National Historic Landmark. Funds may be used for professional expertise, print and video communications materials, and education programs.
- **Jeffris Heartland Fund:** Established by the Jeffris Family Foundation to support the development of important historic preservation projects in the states of Iowa, Illinois, Indiana, Michigan, Minnesota, Missouri, and Ohio. The fund makes grants in the range of \$5,000 to \$50,000 for Historic Structure Reports and other advanced planning studies. Funds must be matched dollar-for-dollar with cash from sources unrelated to the National Trust and the Jeffris Family Foundation. Established 501(c)(3) nonprofit organizations or government agencies in partnership with a 501(c)(3) organization are eligible to apply. Applicants must be able to demonstrate the viability of their project through the submittal of early planning studies, and must be ready for the preparation of a Historic Structure Report, or other advanced planning studies, leading toward a community-centered capital fund drive. Projects in communities with more than 150,000 in population are NOT eligible to apply. Priority will be given to projects located outside of metropolitan areas.
- **Illinois Clean Energy Community Foundation.** The ICECF has a variety of grants for public and non-profit organizations to make energy efficiency upgrades to their properties. There are also grants for new construction and major renovation.