Memorandum

To: Honorable Mayor and Members of the City Council

From: Erika Storlie, Assistant City Manager
Michelle L. Masoncup, Interim Corporation Counsel

Subject: Resolution 43-R-18, Authorizing the City Manager to Meet with the Evanston Lighthouse Dunes Organization to Negotiate on the Costs Associated with the Restoration of the Dunes and Gardens and Demolition of the Harley Clarke Mansion and Coach House

Date: June 12, 2018

Recommended Action:
Alderman Rainey requests consideration of Resolution 43-R-18 authorizing the City Manager to meet with the Evanston Lighthouse Dunes organization to negotiate an agreement on the costs associated with the restoration of the Dunes and Gardens and demolition of the Harley Clarke Mansion and Coach House.

Livability Benefit:
Built Environment: Enhance public spaces

Funding Source:
Evanston Lakehouse Dunes, potential funding source

Summary:
On May 29, 2018, the Evanston Lakehouse Dunes organization presented the City Council with a proposal to pay for the costs associated with demolition of the Harley Clarke Mansion and coach house, restore the natural dunes, beach and parkland as part of a new public space. The purpose of Resolution 43-R-18 is to provide a formal commitment to meet with the group to understand the terms and conditions for the proposed funding. Authorization of this resolution is the first step in a process to consider demolition of the City owned residential structures at 2603 Sheridan Road. The next step is that the funding agreement would return to the City Council for review and approval. At such time, if the agreement is approved, then the Council must direct the City Manager to follow the process outlined in the Preservation regulations contained in Title 2, Chapter 8 and outlined below in Section I.
Alderman Suffredin requested guidance on the process to submit the question to a referendum, addressed below in Section II. Lastly, City staff consulted with demolition contractors to prepare rough cost estimates (attached) to demolish the mansion and coach house and restore the property to its natural state. If the Council opts to proceed with pursuing demolition, City staff will develop more formal and detailed cost estimates.

I. Evanston Preservation Commission Process
The Harley Clarke Mansion and coach house are registered as a local landmark, but are not state or federal landmarks. The process to seek approval for demolition of the local landmark is set forth in Title 2, Chapter 8 of the City Code. A certificate of appropriateness is required by the Chapter for “any demolition in whole or in part or land altering activities requiring a permit from the City.” The steps for approval of the demolition are as follows:

A. The City Council must adopt a resolution approving the City Manager or his designee to file an application for certificate of appropriateness for the demolition with the Evanston Preservation Commission (§2-8-8(C)).

B. The Preservation Commission reviews and votes on the application within 45 days of receipt. In considering an application for a certificate of appropriateness for demolition, the Commission shall consider only the following general standards and the standards included in Subsection 2-8-9(E):
   1. Whether the property, structure or object is of such historic, cultural, architectural or archaeological significance that its demolition would be detrimental to the public interest and contrary to the general welfare of the people of the City and the State.
   2. Whether the property, structure or object contributes to the distinctive historic, cultural, architectural or archaeological character of the district as a whole and should be preserved for the benefit of the people of the City and the State.
   3. Whether demolition of the property, structure or object would be contrary to the purpose and intent of this Chapter and to the objectives of the historic preservation for the applicable district.
   4. Whether the property, structure or object is of such old, unusual or uncommon design, texture, and/or material that it could not be reproduced without great difficulty and/or expense.
   5. Whether the property, structure or object is of such physical condition that it represents a danger and imminent hazard condition to persons or property and that retention, remediation, or repair are not physically possible or require great difficulty and/or expense.
   6. Except in cases where the owner has no plans for a period of up to five (5) years to replace an existing landmark or property, structure or object in a district, no certificate of appropriateness shall be issued until plans for a replacement structure or object have been reviewed and approved by the Commission. (§2-8-9(D)).

C. If the Preservation Commission rejects the certificate of appropriateness, then the City may appeal the Preservation Commission decision to the City Council within 30 days. (§2-8-8(G)(7)).
D. Denial or grant by the City Council of a certificate of appropriateness is considered a final decision of the certificate appropriateness and may be appealed to the Circuit Court of Cook County. (§2-8-8(G)(7)). If the Demolition appeal is granted, the City may proceed with applying for the demolition permit.

E. If the Demolition appeal is denied, the City may apply for a certificate of special merit (§2-8-11) or certificate of economic hardship (§2-8-10). Certificate of Special Merit is reviewed by the City Council. The Council review of the Certificate of Special Merit will focus on determining if:

1. The project is consistent with the Comprehensive Plan of the City; and
2. The project is necessary and in the public interest and will provide public and civic benefits, including but not limited to social or other benefits that are significant to the community and particularly desirable at the location proposed. Such benefits that further the general welfare of the residents of the City must substantially outweigh the loss of or the effect upon the affected landmark or property, structure, site or object in a district. Such benefits shall not consist solely of monetary or economic benefits to the City or other parties arising from economic development, property taxes, or other financial returns.

Standard to be Applied
A certificate of special merit shall be approved only on a showing by the applicant that:

1. There is no feasible and prudent alternative site for the proposed project; and
2. Use of the existing landmark or area, property, structure, site or object located in a district for the special merit use is not financially and physically feasible; and
3. The proposed project includes all possible planning to minimize harm to the existing landmark or area, property, structure, size or object in a district resulting from such special merit use.

F. If the City opts to apply for the Certificate of Economic Hardship, this is reviewed by the Preservation Commission. If the Certificate of Economic Hardship is denied by the Preservation Commission, this can appealed to the City Council. (§2-8-10(M)(1))

II. Referendum - Submit the Issue to the Voters
“Referendum” is a term used to describe any question placed on the ballot for voter consideration. If the referendum could result in mandatory government action (e.g., bond issuance, form of government, annexation, tax increase, etc.), it is a “binding referendum.” If the referendum is merely a public opinion poll, the results of which are not binding on the government, it is an “advisory referendum.”

A “voter initiative” is one method used to place a referendum on the ballot that involves petition signatures of registered voters. Another method is for the City Council to vote to place an issue on the ballot for a referenda through a resolution. For advisory referenda by voter initiative, the petition signatures needed to put it on the ballot are set forth by statute. Section 10 ILCS 28-6 of the Illinois Election Code states that the petition must be signed by registered voters of a number equal to at least eight percent of the total votes cast for candidates for Governor in the preceding gubernatorial election in that district. In this case, the total number of votes cast in the 2014 gubernatorial election by registered voters in Evanston was 24,556, therefore the total number of signatures needed for the voter initiative referendum petition is 1,964. Please note that the Election
Code also provides that, with certain specified exceptions, no more than three questions may be submitted to the electors of a given political subdivision at any given election. 10 ILCS 5/28-1.

If the Council seeks to take action and place this issue on the ballot as an advisory referendum, the following steps must be taken:

1. The City Council must adopt a resolution approving the form of a referendum question, at a meeting scheduled at least 79 days prior to the election at which the question will be on the ballot. 10 ILCS 5/28-2
2. If the City Council adopts the resolution by a majority vote, then the referendum question must be filed with the Cook County Clerk, David Orr, and certified for the ballot, not less than 68 days prior to the election. 10 ILCS 5/28-5
3. If the referendum passes by a majority of those voting on the question at the election, the City Council would then take the information into consideration for its decision with respect to the future of the Harley Clarke Mansion.

Legislative History:
At the July 24, 2017 City Council Meeting the City Council approved the release of RFP 17-48 requesting proposals to enter into a long-term lease with a non-profit organization that will invest in and renovate the Harley Clarke Mansion to create a high quality public use for the space consistent with the 2008 Lakefront Master Plan.

The RFP was posted on August 3, 2017 and all responses were due on October 9, 2017. Two meeting dates were held at the site, of which attendance at one was mandatory. These meetings gave potential respondents the opportunity to view the interior of the mansion and the coach houses.

The City received two responses to this RFP, one from Evanston Artists for Humanity and one from Evanston Lake House and Gardens. The proposal from Evanston Artists for Humanity was deemed non-responsive and rejected due to the fact that they did not attend one of the mandatory meetings as required by the RFP. The proposal from Evanston Lake House & Gardens was reviewed by staff and has been deemed responsive, which means that all required documentation was submitted and attendance at mandatory meetings was verified. Staff did not evaluate the proposal for merit as the City Council decided that it would be the evaluator of the responses to this RFP.

At the November 13, 2017 City Council meeting staff was directed to proceed with negotiations for a lease with Evanston Lake House and Gardens and return to the City Council in 2018. The proposed lease (Ordinance 42-O-18) was approved for Introduction at the March 12, 2018 City Council, but failed 7-2 for Action on April 9, 2018.

Attachments:
Resolution 43-R-18
Memorandum on Demolition/Destruction Costs & Estimates
Landscaping/Restoration Estimate
Tawani Condition Assessment Report
A RESOLUTION

Authorizing the City Manager to Meet with the Evanston Lighthouse Dunes Organization to Negotiate an Agreement on the Costs Associated with the Restoration of the Dunes and Gardens and Demolition of the Harley Clarke Mansion and Coach House

WHEREAS, the City owns certain real property located at 2603 Sheridan Road, Evanston, Illinois that is improved with a three-story single-family residential structure and a single-story couch house, commonly referred to as the “Harley Clarke Mansion” (the “Subject Property”); and

WHEREAS, the City purchased the property in 1965 in order to expand lakefront public parkland for the benefit of the residents of Evanston; and

WHEREAS, over the past 6 years, the City of Evanston considered many options for adaptive reuse of the Subject Property from various groups with different proposals found to be not in the best interests of the City of Evanston; and

WHEREAS, during the May 29, 2018 City Council meeting, an organization, Evanston Lighthouse Dunes, proposed to donate all of the funds necessary to restore the Subject Property to its natural state, demolish the Subject Property, grade and seed the land and restore it to open space allowing for expansion of the park; and
WHEREAS, the Subject Property is 37,700 square feet in size and zoned open space (OS) under Title 6 of the City Code, with a park directly to the north and the lighthouse to the south; and

WHEREAS, the City Council has determined that the best interests of the City of Evanston would be served by authorizing the City Manager to meet and negotiate a funding agreement with the Evanston Lighthouse Dunes, affirming its support for the project,

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 meet and negotiate with the Evanston Lighthouse Dunes to develop an agreement that will result in the City’s acceptance of the organization’s financial support leading to the immediate restoration of the dunes to their natural state, to the removal of the house and coach house and the restoring of key elements of Jens Jensen’s historic 1920’s garden and integrating them into the natural landscape while clearing and expanding the parkland and beach for the enjoyment of all.

SECTION 2: This Resolution 43-R-18 shall be in full force and effect from and after its passage and approval in the manner provided by law.
Attest:

Stephen H. Hagerty, Mayor

Devon Reid, City Clerk

Michelle L. Masoncup, Interim Corporation Counsel

Adopted: _________________, 2018
To:          Honorable Mayor and Members of the City Council
From:      Erika Storlie, Assistant City Manager
            Gary Gerdes, Building & Inspection Services Division Manager
Subject:  Harley Clarke Demolition, Deconstruction & Site Restoration Estimates
Date:       June 14, 2018

Background:
Estimates to demolish the Harley Clarke Mansion were provided in May, 2015 to the Harley Clarke Citizens’ Committee for consideration to evaluate possible uses of the property. Updated estimates were requested as part of Resolution 43-R-18, authorizing the City Manager to meet with the Evanston Lighthouse Dunes Organization to negotiate on the costs associated with the restoration of the Dunes and Gardens and the demolition or deconstruction of the Harley Clark Mansion and Coach House. A breakdown of the estimates is noted below.

Demolition Estimates:
Taylor Excavating & Construction, Inc.
- Mobilization/Demobilization $ 5,000
- Demolition – Mansion $ 200,565
- Demolition – Coach House $ 41,526
- Fill/Grade – Mansion $ 46,881
- Fill/Grade - Coach House $ 4,700
- Total $ 298,672
Owner responsible for permit fees, utility disconnects, construction fence

Quality Excavation, Inc.
- Demolition – Mansion & Coach House to include asbestos removal, Cook County permit fees $ 244,000
Owner responsible for fill/grade, utility disconnects, construction fence

Deconstruction Estimate:
BlueEarth Deconstruction
- Deconstruct Mansion and Coach House to include foundation removal and disposal of all non-reusable debris preserving all reusable building material. $450,000
Owner responsible for fill/grade, utility disconnects, construction fence

Estimates are based on overall size of structure and not obtained from a formal bid request.
Permit Procurement Costs:
The following are costs associated with procuring a demolition bid for Harley Clarke Mansion and coach house.

- Survey with topography $ 0
  - City is in possession of 2012 BH Suhr survey that could be used for demolition procurement.
- Asbestos Assessment $ 5,000
- Asbestos Abatement $ 31,350
  - Asbestos abatement cost from October, 2012 estimate.
- Printing/Advertising $ 500
- Cook County Permits $ 7,500
- Utility Disconnections $ 15,000
  - Water service enters the mansion then branches to the Lighthouse Landing restroom. Water service would need to be rerouted to maintain service to restrooms
  - Fiber optic cable enters the mansion then branches to Lighthouse Landing restroom and Fog houses. Fiber optic cable would need to be rerouted to maintain service to restroom and Fog houses.
  - Further investigation required to determine if gas lines branch from mansion and need reroute.
- Construction fence $ 7,500
- Underground tank $ 6,500
  - Possible UST at Coach House. Possible to abandon in place.

Total procurement costs: $ 73,350

Procurement costs are estimates. Further investigation regarding utility disconnection/ routing would be needed.

Response Overview:
The City received three (3) estimates: two (2) estimates for the demolition of the Harley Clarke Mansion and Coach House, and one (1) for the deconstruction of the Mansion and Coach House.

<table>
<thead>
<tr>
<th>Company</th>
<th>Services</th>
<th>Total Cost</th>
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<tbody>
<tr>
<td>Taylor Excavating &amp; Construction, Inc.</td>
<td>Demolition – Mansion and Coach House</td>
<td>$ 298,672</td>
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<tr>
<td></td>
<td>+ Fill/Grade</td>
<td>Included in demo cost</td>
</tr>
<tr>
<td></td>
<td>+ Procurement Costs</td>
<td>$73,350</td>
</tr>
<tr>
<td></td>
<td>+ Restoration Costs</td>
<td>$75,000</td>
</tr>
<tr>
<td></td>
<td>Total Cost:</td>
<td>$447,022</td>
</tr>
<tr>
<td>Quality Excavation, Inc.</td>
<td>Demolition – Mansion &amp; Coach House</td>
<td>$ 244,000</td>
</tr>
<tr>
<td></td>
<td>+ Fill/Grade</td>
<td>unknown</td>
</tr>
<tr>
<td></td>
<td>+ Procurement Costs</td>
<td>$26,150 (some procurement costs included in demo bid)</td>
</tr>
</tbody>
</table>
Complete site restoration costs would include three components: (1) Demolition Costs, (2) Procurement Costs and (3) Restoration Costs. An estimate of restoration costs was provided by Evanston Lighthouse Dunes from Nels Johnson and is in the attachments. This estimates that site restoration could range from $50,750 to $75,000. Staff was not able to obtain any additional restoration bids due to the short time frame. Combining these three items gives the totals (which are estimates only and would need to follow an RFP process to obtain definitive pricing if this direction is taken.)

Quality Excavation, Inc. is the lowest bidder for the demolition of the Mansion & Coach House, but its proposal does not include fill/grade, however it does include some procurement costs including permits and asbestos abatement. BlueEarth Deconstruction’s proposal is for deconstruction of the Mansion and Coach House is the highest response, but also includes foundation removal and disposal of all non-reusable debris preserving all reusable building material. However, like Quality Excavation, it does not include fill & grade on the site. Taylor excavating includes mobilization and fill/grade so it is likely the most representative of the total cost.

Attachments:
Taylor Excavating Bid
Quality Excavation Bid
BlueEarth Deconstruction Bid
Nels Johnson Restoration Bid
## Taylor Excavating & Construction, Inc.

**1765 N Elston Suite 204**  
**Chicago IL 60642**  
**Office: 773-755-3444 Fax 773.489.6048**  
**www.taylorexavating.com**

### Proposal Submitted To
City of Evanston, attn: Gary Gerdes  
2100 Ridge Avenue  
Evanston, IL 60201  
847-448-8030 /ggerdes@cityofevanston.org

### Location
- Harley Clarke Mansion  
  2063 Sheridan Road  
  Evanston

### Date: June 14, 2018  
**Taylor Proposal #:** 2018-143

<table>
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<tr>
<th>Demolition</th>
<th>Amount</th>
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<tr>
<td>- mobilization/ demobilization</td>
<td>5,000</td>
</tr>
<tr>
<td>- demolish existing 3 story structure (mansion)</td>
<td>200,565</td>
</tr>
<tr>
<td>- demolish existing 2 story structure (coach house)</td>
<td>41,526</td>
</tr>
<tr>
<td>- foundations to be removed unless supporting neighbor or public property</td>
<td></td>
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<tr>
<td>- haul off debris</td>
<td></td>
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<tr>
<td><strong>Subtotal</strong></td>
<td><strong>247,091</strong></td>
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### Other Items
- fill mansion basement with clean fill from ongoing projects | 46,881 |
- fill coach house basement with clean fill from ongoing projects | 4,700 |
- all permits and fees | excluded |
- utility cutoffs | excluded |
- temporary construction fencing and portable toilet | excluded

### For Notes, Exclusions and Scope Clarifications, See Exhibit A
1. does not include asbestos or other haz material abatement.  
2. Owner is responsible for utility shut off, fencing and portable toilet.  
3. Costs are based on demolition of an empty structure. Removal of stored materials inside the structure including furniture, trash or other materials will be charged as an extra to owner.

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<tr>
<th>Acceptance of proposal</th>
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<tr>
<td>The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.</td>
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<tr>
<th>Signed</th>
<th>Date</th>
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Any alteration or deviation from above specification involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control. Payments due 30 days from invoice date. A service charge of 1.5% will be added to all past due accounts each month. Note. This proposal may be withdrawn by us if not accepted within 30 days. The parties agree that in the event of a lawsuit to enforce any of terms hereof, the prevailing party shall be entitled to attorney fees and costs. Owner hereby grants Taylor Excavating, Inc., the right to lien the above listed property in the event the payment terms are not satisfied.
Base Bid

EXCLUSIONS UNLESS NOTED OTHERWISE
Permits
Landfill acceptance testing and PE certification if required
Haul off all spoils as clean fill
Unpaid water bill

Utility disconnects and fees, underground utility removal
Layout

Barricades, temporary protection, construction safety fence or portable toilet
Construction access
Erosion control, silt fence and inlet protection
Dewatering

Handling any contaminated material including USTs
Hard to handle materials
Obstruction removal
Testing

Costs associated with any import or export of materials other than those specified in the base bid, including spoils generated by other trades

Work outside of property lines
Additional unit pricing may apply for items over and above the base bid
All grading is performed on a one time only basis, re-grading due to damage by others or erosion will be performed on a time and materials pricing basis.
Topsoil import and/or respread
Tree protection or removal

All salvaged materials become the property of Taylor Excavating

For any additional mobilization required due to circumstances beyond the control of Taylor Excavating, additional charges may be billed to the owner.

Utility work in the street

Shoring or underpinning

Winter conditions including frost ripping and frost protection
Quality Excavation, Inc.
2432 W Barry Ave
Chicago, IL 60618

Date
Estimate #
6/14/2018 11771

<table>
<thead>
<tr>
<th>Customer</th>
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<tr>
<td>City of Evanston. Gary Gerdes</td>
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<table>
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<tr>
<th>Project</th>
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<tr>
<td>Harley Clark Mansion</td>
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<thead>
<tr>
<th>Phone #</th>
<th>Fax #</th>
<th>Web Site</th>
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**DESCRIPTION**

**Budget Demo Price**

For the demolition of Three existing building and two story coach house at 2603 Sheridan Rd.
Removal of all uncontaminated debris. Removal of all Existing foundations.
Asbestos Removal included.
Cook County Permit fees included.

**PLEASE NOTE:** The following items will be billed as EXTRAS to the contract amount when applicable:
- Unpaid water bills at the property
- Sidewalk and street permits as required by Dept. of Transportation
- Concrete saw cutting.

**OWNER/GC IS RESPONSIBLE FOR THE FOLLOWING WHEN APPLICABLE**
- Electric Disconnect.
- Gas Shut off.
- Street Resurfacing.
- Closing of all active gas & electric accounts.
- All power/cable lines crossing the work site must be moved to the property lines by the respective utility company.
- Asbestos inspection and abatement.
- Repair or tuckpointing of newly exposed party walls.
- Any required scaffolding
- Tree removal if required
- Selective demolition
- Supplying, installing & securing Construction Fencing with mesh fabric affixed to the fence as required by City

Demolition Permit Fee of $7,200 & Gas Disconnect Fee of $3,800 are due at the start of the demolition permit process.

Proposed price is subject to change after 60 days.

**TOTAL**

$244,000.00

Terms are 30 days. A finance charge of 1.5% per month on balances carried over 60 days will be applied. In the event Customer defaults in the performance of any payment obligation under this agreement, Customer agrees to pay Quality Excavation, Inc. all costs and expenses incurred by Quality Excavation, Inc., including reasonable attorneys' fees.
Re: Harley Clarke

1 message

Steve @ BlueEarth <steve@blueearthdeconstruction.com>  Thu, Jun 14, 2018 at 12:46 PM
To: Gary Gerdes <ggerdes@cityofevanston.org>

Gary,

Thanks again for all the additional information. We’ve prepared a preliminary quote based on our site visit this week and the building plans provided. The details are as follows:

Scope:
1. Deconstruct the Harley Clark Mansion and Coach House in their entirety, preserving all reusable building materials for reuse instead of sending them to a landfill
2. Excavate foundation and dispose of all non-reusable debris
3. Preserve maximum amount of reusable building materials

Timeline: 5 months (may be reduced with added labor)

Cost: $450,000

Environmental impact:
- Over 10,000 tons of materials diverted from landfills
- Approximately 50 truckloads of reusable building materials
- Approximately 10,000 trees worth of old-growth lumber saved

Please understand that this is a very rough quote and more time is needed to submit a final bid for the work. We understand this is a significant investment, but we believe the value provided to the community, the jobs supported by this project, and the historical and cultural significance of the project warrant consideration. Please let us know if you have any questions.

Thank you,

Steve Fliyo
President
BlueEarth Deconstruction
630-200-5889
steve@blueearthdeconstruction.com
www.blueearthdeconstruction.com
Mr. Chuck Lewis  
2735 Sheridan Road  
Evaston, IL 60201  

Dear Mr. Lewis,

I met with Sara Furlan from Mariani Landscape on a cold, blustery Friday the 13th, at Lighthouse Park. She was kind enough to walk me through the city park and the historical property. It could truly be in better shape. Last week I revisited the property mulling over its condition and the trees. I know mine is only one opinion, but I’d like to share it with you.

First off, in the beach/dune portion of the property, it could be clear cut. Select cottonwoods and maybe some lindens should be kept. Boxelders, Norway maples, buckthorns and other low quality invasive species should go. Dune restoration with native grasses and low growing shrubs would be much easier if these trees were cleared. Sara showed me a row of mature hemlock and spruce on the Lighthouse property to remove. This would focus attention on the Lighthouse itself.

We then toured the city park. The north end is a tangle of dead ash, buckthorn and mostly garbage species. There are a few good trees mixed in to keep. Clearing this area, the dunes and beach and trimming the remaining trees, is a good management strategy for this park. Raising the crowns of the remaining trees to allow a better view/vista of Lake Michigan could be incorporated into the plan very easily. Removal of Norway maples in this area should also be considered. They have become an invasive species (escaped from cultivation) and have taken over in many areas all of Illinois. If left behind, their annual seed crop is a source of constant replenishment and they take over again.

Cost for a project like this could range from $50,750 on the low end to $75,000 on the high end. I hope this helps. If you have any questions, do not hesitate to contact me.

Sincerely,

Nels J. Johnson Tree Experts, Inc.

[Signature]

David Conrad  
BCMA IL-0158 (Board Certified Master Arborist)  
Tree Risk Assessment Qualified  
Certified Forester – Virginia Tech 1983

A Proud Tradition Since 1930
November 7, 2013

Re: Harley Clarke Mansion

To City of Evanston Residents:

Tawani Enterprises -- Col. Pritzker's company which submitted a proposal for the purchase of the Harley Clarke Mansion in response to the City of Evanston's request for proposal (RFP), —is writing this letter about the Harley Clarke Mansion and possible considerations for its future use. Now that the RFP process is closed and negotiations for the purchase are over, Tawani is in a position to explain the concept we developed, in order to provide Evanston Residents with factual information that could be helpful in considering your options for future uses of this municipal landmark estate.

We are offering this detailed information only for reference and presenting the facts so that the public can be informed. We have no intention of pursuing this project now or in the future.

The details of the project follow, including findings by professional experts, all of which were given to the City of Evanston as part of our proposal. The only exception is the Economic & Fiscal Impact Study, which was being worked on, per the City's request, during the negotiation process.

Sincerely,

Mary F. Parthe
Tawani Enterprises

104 S Michigan Ave, Suite 500 *** Chicago, IL 60603-5958
Telephone (312) 374-9455 *** Facsimile (312) 374-9469
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APPENDIX

I. TOCO LETTER

II. ECONOMIC AND FISCAL IMPACT STUDY EXECUTIVE SUMMARY SLIDES
BACKGROUND

Alderman Fiske, Mayor Tisdahl, and then others, approached Col. Pritzker and asked if she would be interested in developing a Bed & Breakfast in the Harley Clarke Mansion. Col. Pritzker was not asked for a philanthropic donation regarding Harley Clarke, but a request to develop it commercially. The City of Evanston issued a Request for Interest in the property, and Tawani responded on June 19, 2012. There were 3 submissions from other parties.

Tawani had determined that due to the state of the property, a B&B (which by Evanston code is limited to 5 guest rooms) would not work. The document Tawani submitted stated that we “shall most likely consider use as a boutique hotel or a restaurant/event center.”

Our plan was to develop the most complimentary plan— one that would support the restoration and maintenance of the buildings and enhance the overall appearance of and public accessibility to the property and surrounding parks. The idea was never for Col. Pritzker to make any immediate profit. Anyone who toured the entire property and viewed its actual state would have known that was not possible. (This is the same conclusion 2 of the other 3 interested parties reached.)

On August 23, 2012, we were invited to respond to a Request for Proposal. The RFP did not include a minimum bid. It did not include any financial direction. It also did not include a property appraisal, or site and topographical surveys. Tawani requested copies of all these documents, and was told they did not exist.

The City of Evanston agreed to let Tawani conduct its own due diligence on the property (limited to 6 hours). To accomplish this, we contracted with architects, an appraiser, structural and mechanical engineers, electrical engineers, environmental specialists, surveyor and hotel consultancy experts. This was done at Tawani’s own expense at a cost in excess of $100,000. All of the findings by professional experts that are contained in this website were given to the City of Evanston as part of our proposal. The only exception is the Economic & Fiscal Impact Study, which was being worked on, per the City’s request, during the negotiation process.

Tawani was the only bidder of the four possible candidates to respond to the Request for Proposal (November 27, 2012). The other 3 initially interested parties decided not to pursue the matter. At least two of the three bidders based this decision on the fact that after viewing the property, they realized that it was cost prohibitive.

This was articulated by TOCO, one of the primary competitors:

In a letter to City Manager Bobkiewicz on November 27th, 2012, TOCO wrote “...Unfortunately we will not be able to make a proposal despite how intriguing this
opportunity is. After careful evaluation, the physical limitations of the site and of the buildings combined with the significant cost of renovating this historic property makes turning this property into a first class Boutique Hotel financially unprofitable. We spent a considerable amount of time with two very well respected consultants, Cannon Design to do our planning and Valenti Builders to do our pricing. The costs came in about twice what they needed to be, not counting the environmental remediation concerns. We looked at other uses, but kept coming back to a boutique hotel scheme as the highest and best use.”

(See Appendix, for copy of original letter)

Carrie King, another bidder, stated:

The architectural charm and lakefront location of the Harley Clarke property struck me as a phenomenal opportunity to open up a beautiful lakefront mansion --the type of property typically accessible only to a fortunate few - and make it readily accessible to all the people of Evanston. I imagined a lakeside café where families could walk in, clad in bathing suits, to order PBJs and lemonade, and rent beach umbrellas. I saw a beautiful staircase where happy brides descended into the open arms of family and friends. I imagined huge, open areas, indoors and out as dining rooms with twinkling lights and student musicians playing, while families gathered for dinner or reunions within a magical environment like no other.

As one of only four initial bidders, this vision was tempered by the reality of the extreme amount of financing it would require to save and restore this spectacular property. It was in much greater disrepair than I had imagined. And, I didn’t expect the difficulty in communication between the small group of bidders and the City of Evanston and the lack of critical information provided by the City such as surveys, appraisals, assessments, tax or detailed property information to allow bidders to make informed assessments, in order to present realistic, intelligent offers.

Thus the condition of the buildings, the absence of vital property information and timely, open communication from the City Manager and Mayor’s offices – made this project seem impossible to pursue.

--Carrie King
FACTS ABOUT THE PROPERTY: WHAT THE EXPERTS FOUND

Tawani employed independent professionals to conduct the following tests and reports during the very limited amount of time that was allotted for access to the property. The findings by professional experts that are contained or linked below were given to the City of Evanston as part of Tawani’s proposal.

Tawani’s due diligence revealed that there are significant health and safety concerns in both the main and the coach houses on the property. Both had environmental liabilities with regard to the property, in addition to the care needed to restore the buildings to a state in which they would pass City, State, and Federal requirements including compliance with Americans with Disabilities Act and the Illinois Accessibility Code.

We discovered that both the main house and the coach house would need significant restoration, plus all new mechanical, electrical, plumbing, sewer lines, etc., and extensive modification to bring the buildings up to Code.

(See RFP, Section 5, Appendix D, starting on the 3rd page, is a copy of Evanston’s “CODE ANALYSIS & CONDITION ASSESSMENT REPORT, dated Aug 25, 2012.”)

Following is a list of studies we conducted and a brief description of the findings. Where specified, copies of the actual, detailed, reports are contained in the “Tawani Response to City of Evanston Harley Clarke Mansion RFP” dated Nov. 27, 2012 (referred to below as “RFP”).

- **ENVIRONMENTAL TESTS** for Radon, mold, asbestos, lead paint and lead in water. These tests revealed that there are significant environmental liabilities with regard to the Property. The environmental findings in the Main House showed an elevated Radon level, asbestos, and lead in paint. The environmental findings in the Coach House showed mold, asbestos, lead in paint and water, and the possibility of an underground storage tank in the vicinity of the Coach House.

  (See RFP Exhibit A Section 6)

- **PHASE 1 ENVIRONMENTAL STUDY** One 3,000 gallon heating oil underground storage tank and contaminated soils were removed in April 1991. Study administrators suspect an additional heating oil Underground Storage Tank affiliated with piping and gauges in the Coach House. They surmise it is buried in the vicinity of the coach house. Click Here for Phase 1 Environmental Study Report

  (See RFP Exhibit A Section 5)

- **HEATING & AIR CONDITIONING** HVAC systems are in poor condition; recommendation was to replace no matter what the use of building. 32 Year old boiler – nearing end of usable lifetime. Exhaust is smaller than required by code for proper combustion air and in current location is frequently blocked by leaves and
debris. Current window air conditioners do not provide ventilation to the space, just recirculate air. A make-up air system is needed to address building pressurization and ventilation requirements.

(See RFP Exhibit A Section 4 for the full Structural, Mechanical, Electrical Engineering Report)

- **VENTILATION** Overall ventilation is unacceptable. Since there is no air handling equipment, ventilation is totally reliant on windows that are likely closed during winter and inclement weather. Windows are also undersized or located above exhaust sources from the building (additional code violation). Kiln Exhaust: ductwork and condition of the fans are poor. Glaze room exhaust presents several code issues including location of the exhaust discharge with respect to height and proximity to operable windows. Conservatory exhaust systems are old and have reached their useful life.

- **PLUMBING** has not been maintained and is woefully inadequate, including for its present use. Sanitary and vent systems throughout are inadequate and in poor condition.

- **FIRE SAFETY** Buildings are presently NOT sprinkled. Code requires commercial properties to be fully sprinkled. In order to do so, water service would have to be upgraded to a larger size and evaluated for the possible need for a fire pump. There is NO fire alarm system.

- **ELECTRICAL POWER & LIGHTING Only** 200 AMP service serves both structures. Existing service is old, in poor condition and includes exposed wires. Lighting was also in poor overall condition and should all be replaced. Engineers recommended a new electrical system and distribution service.

- **PRESERVATION: ARCHITECTURAL ASSESSMENT** Many of the decorative elements are severely damaged beyond repair or are missing and need replacement. Most if not all of the wood brickmold exterior casings are in severely poor condition – partially to totally rotted, requiring replacement. All of the windows would require complete restoration and new hardware. Most of the bathrooms were used as slop rooms and were significantly damaged as a result. There are many exquisite features that can be restored, including the entry staircase, original flooring, and plaster decorative elements.

(See RFP Exhibit A Section 2 for the full Preservation: Architectural Assessment Report.)

Note: Tawani is committed to preserving and reinvigorating historically significant buildings. In fact they’ve won numerous awards in this regard.

(See RFP, page 22, for detailed information regarding Tawani’s preservation of historically significant buildings and related awards.)
• **COMMERCIAL APPRAISAL** Tawani employed a nationally recognized hotel consultancy to provide a commercial appraisal of this business model and learned that the commercial property value, given a 15 room hotel/event center use was $-4.1 million (*negative* four point one million dollars). In other words, even if the property were given to Tawani, it would be of negative value.

Please know that given this business model, the primary source of revenue would have to come from events in order for it to make any money. With less than one-third (1/3) of the first floor space useable for events (less than 3000 square feet) this would not generate the profit necessary to cost justify this model. The cost to restore the Property and right all its code problems would be over Five Million and 00/100 Dollars ($5,000,000.00), which alone would be cost prohibitive relative to the potential income such an operation would generate. Further, that $5 million did not include any change in the on-site parking, the cost of a valet service or the purchase price of the property.

• **RESIDENTIAL APPRAISAL** Tawani employed a licensed residential appraiser to value the property. The residential appraised value was $2 million. Again, we never received a minimum offer or a response to our initial offer from the City.
TAWANI’S PROPOSAL: $1.2 million to purchase/$22 million for restoration

Tawani first asked the experts to look at the possibility of a 15 room boutique lodging facility. They determined that 15 rooms would not support the operation and maintenance of the buildings. (By Illinois law, a lodging facility of more than 15 rooms is considered a hotel.)

We then asked, “what about an event center?” The experts found that to be economically unfeasible also. The Harley Clarke is simply not big enough and could not hold enough events to pay for the operational and maintenance costs of the building.

The hotel consultancy experts determined that a 57 room boutique hotel would be the smallest entity that would sustain the cost of operating and maintaining the buildings.

Tawani therefore proposed developing a boutique hotel, featuring 57 rooms, a restaurant and lounge, meeting/event space, business center, and a sundries center.

ENVIRONMENTAL BENEFITS
There would be environmental benefits including permeable surfaces for better water management, geothermal heating & cooling, and an underground parking garage with a very large green roof.

BENEFITS TO THE GENERAL PUBLIC
Parking would be accommodated with a 200 car underground parking garage --open to the public. This would be in addition to 25 spaces, above grade, exclusively dedicated to park goers. The property would have safe walkways between the parking areas leading to the adjacent parks and beach.

This hotel was to be an upscale property that would be very unique to its surroundings. It would have preserved and restored the architectural elements of the original houses, and ensured that the 36 room annex matched the historic exterior of the current houses. The plan also called for rebuilding the Jens Jensen gardens and enhancing the overall aesthetic of this distinguished estate.

(See RFP, page 11, “Proposed Site Plan, rev 10/31/12 --In this aerial view of the proposed hotel, the annex is shown in the color purple. 36 of the 57 guest suites would be housed in the annex. You can also see the additional amenities and improved access for the public to Light House Beach.)

As proposed, the public would have had improved access to the beach and surrounding lands. The plan was to add broad walkways particularly accessible for wheelchairs, carts, and strollers to provide safer access to the beach, the Light House and Lawson Park. The
plan called for the installation of public handicap accessible restrooms on the north side of
the hotel. These would be open to the public 24/7, 365 days a week. Beach goers, joggers,
children, bikers, etc. would have access to safe sanitary restrooms at all times.

The front lawn, which would be landscaped with additional greenery, would be open to the
public. We would continue the tradition of displaying sculptures in front of the Harley
Clarke.

The hotel would improve visual access to the Lake by developing the backyard into an
activity space, uncovering all the art display walls that currently obstruct the windows in
the building, and the addition of public event and dining spaces which could be enjoyed
year round by 10’s of thousands of guests and residents annually.

It would provide an immediate influx of cash to the city, generate revenue from property
and use taxes, provide economic stimulation by creating jobs and attracting tourists to the
community, and would remove a significant liability from the City’s balance sheet saving
taxpayer dollars from maintenance, grounds keeping, and reducing the need for nightly
police patrols of the surrounding parks.

Most important, this iconic landmark estate would be preserved and the community at
large would have access to it. The estate would contribute to help make Evanston a
destination of choice. It in fact would be a cultural addition to the community, preserved in
its full grandeur for Evanston, the North Shore and future generations.

(See RFP, Page 6, Picture of “Harley Clarke Mansion Boutique Hotel Site.” In this aerial
view the site is highlighted in green. See that the hotel property did not include the beach. Our
plan was to ENHANCE beach access for the public.)
COMMON Misperceptions about the proposal

Was there ever a plan to limit or prohibit access to the public beach?

No. If you look at our plan you will see that Tawani’s property did not include Light House Beach. Our plan was to ENHANCE beach access for the public. The plan included 25 parking spaces at ground level for the exclusive use of the public and 200 parking spaces underground for use by hotel patrons and the public. Our plan did include access to the beach for hotel patrons, but NOT at the exclusion of the public.

(See RFP, page 6, Picture of “Harley Clarke Mansion Boutique Hotel Site.” In this aerial view the site is highlighted in green. See that the hotel property did not include the beach. Our plan was to ENHANCE Light House Beach access for the public.)

The plan did include a drop off area at grade level with the beach for people to unload their belongings. Parents and others would no longer have to struggle shepherding children to the beach while carrying coolers, umbrellas, towels, toys, etc. Our plan was to provide carts that could easily be wheeled to the beach on wide improved walkways. Additionally, one could safely walk from Lighthouse Beach and Lawson Park to their car without having to walk on any of the roadways which is currently not the case.

The hotel would have included a restaurant open to beachgoers, and a place to purchase “to go” food and drinks, sunscreen, etc. and to rent beach umbrellas.

The drawings include the addition of accessible public restrooms that would be open 24/7 365 days a week.

What about the lawn?

The bid did include the purchase of the front and back lawns, which currently are maintained by the City at taxpayer expense. The plan was to restore the Jens Jensen landscape design in the back of the house. The front lawn would be landscaped and maintained by the hotel. It would not be fair to expect taxpayers to bear the expense of maintaining the landscaping. The plan was to continue the tradition of revolving sculptures on the front lawn, as well as to allow the public use of the lawn.

Would the plan have reduced the property’s green space?

No. The Annex was to be built on a portion of the existing parking lot. It has never been green space. It was built as a tennis court by the original owner.
WAS THIS COL. PRITZKER’S ATTEMPT TO GET BACK INTO THE HOTEL BUSINESS?

Col. Pritzker never managed or had anything whatsoever to do with the management of Hyatt Hotels. In fact, Col. Pritzker enlisted in the U.S. Army in 1974 as a private, and retired from the military in 2001 as a Lt. Colonel. Given her military career, which was served in both the U.S. and overseas, it would have been impossible for her to be employed in one of her family’s businesses. Col. Pritzker’s only interest in looking at Harley Clarke as a commercial interest was as a result of a request from City of Evanston elected officials.

WOULD COL. PRITZKER HAVE MADE A PROFIT?

Col. Pritzker’s bid included a purchase price of $1.2 million and a starting budget of $22 million for the restoration of the Harley Clarke property. She perceived this as a long-term investment, which would not produce a profit for many years, if not decades. This is the apparent reason why she was the only bidder for the property.

DID COL. PRITZKER OR TAWANI REQUEST ANY FUNDS FROM THE CITY OF EVANSTON TO HELP PAY FOR THE RESTORATION?

No, she did not request any aid from the taxpayers of Evanston to help pay for her plan.

DID COL. PRITZKER ATTEND ANY OF THE EXECUTIVE MEETINGS WITH THE CITY COUNCIL?

No. Col. Pritzker did not attend these meetings, nor did any employee or representative of hers.

The meetings Tawani representatives did attend were for the purpose of negotiations. Col. Pritzker only attended the first one of these meetings. No City Council members were present at any of these negotiation meetings.

WHY DIDN’T TAWANI PRESENT THEIR PLAN TO THE GENERAL PUBLIC?

Tawani’s policy is not to discuss projects which are still in the process of negotiation, as were the instructions from the City of Evanston. Tawani had only considered looking at this property at the request of elected City of Evanston officials and was awaiting a written response to the bid from the city at the time questions were raised about the proposal.
HOW TAWANI’S PROPOSAL GENERATED SIGNIFICANT REVENUE AND JOBS FOR THE CITY OF EVANSTON

This deteriorating icon would be removed from the City’s liability column, would be preserved, and would generate significant revenue for the City and local merchants.

We contracted with HVS, an international hospitality consultancy, to conduct an economic impact study of Tawani’s proposed concept.

Conclusions. In the year 2016:

- The City would generate approximately $5.1 million per year in direct, indirect and induced spending in the community.
- It would generate 54 full time jobs.
- HVS estimated that the fiscal impact would be $523,600 in new tax revenue per year.

(See Appendix for all of the slides detailing the Economic and Fiscal Impact Study findings.)

ETHS student Daniel Shoenfeld intuitively surmised that the demise of the Tawani boutique hotel was a loss to his generation and the City of Evanston. (Reprinted with the permission of the Evanstonian, Evanston Township High School’s student newspaper).
School of Thought

Lakefront mansion a valuable asset for city’s future finance

BY DANIEL SHOENFELD
Opinion Columnist

It could have brought far north of a million dollars to be allocated in local parks, city outreach programs, or whatever deemed necessary. There would have been more jobs and more money flowing into the city each year.

Instead, when the Evanston City Council rejected a plan for billionaire James Pritzker to develop the Harley-Clarke mansion into a beachfront hotel, they left a colossal asset to rot on the lakefront. And rot it is not an exaggeration, as the mansion is ‘severely deteriorated’ according to Alderman Coleen Burrus; it would take well over a million dollars for proper restoration.

This is a city that faces steep budget issues. What those who signed petitions to save the Harley-Clarke mansions did was impede the potential revenue flow in the name of preservation. How dare we promote jobs and cash flow? The ‘progressive’ Evanston community preaches preservation of historical beauty, fights in favor of anti-commercialization so much that we will watch one of the most valuable pieces of land in the city be used for naught.

This is not a valiant cause. I’m calling for all of you Evanston parent-turned-crusaders to get out of the way of progress. Put away your petitions and your silly yard signs. Us students need to exercise our voices in this matter to make the right decision.

This city needs money and jobs. If not an elegant, 57 room hotel, it needs to find a way to profit off the Harley-Clarke mansion. The city council will meet again in September to discuss the future of the mansion; we need to make our voices heard. To ease opposition of commercialization, write it into the contract that the new business would employ X number of Evanston students in its new enterprise.

The adults in this city owe it to the youth to make the right decision for the future, setting nostalgia and the impractical ‘preservation’ ideas aside. We are sitting on a goldmine. Let’s make that gold ours.
CONCLUSION: WHY WE ARE SHARING THIS INFORMATION

We are sharing this information with the public in the hope that it will provide information allowing the citizens and the City Council to make an informed decision about the future of the Harley Clarke Mansion and provide resources in their efforts to restore the buildings. It is not sufficient to “fix” the buildings. There are significant, documented problems which will require a huge expenditure of funds. Even if that money can be raised—one would still have to provide for the ongoing and future operation, maintenance and repairs of the buildings and land.

We would urge the City Council to ask citizens who propose uses for the property to document very carefully the amount of money it would take to develop the idea, where that money would come from, and how the funds would be raised for the ongoing costs of maintaining and operating the buildings and property.
November 27, 2012

City of Evanston
City Manager's Office
2100 Ridge Avenue
Evanston, IL 60201

Attention: Wally Bobkiewicz

Re: Harley Clarke Mansion

Dear Mr. Bobkiewicz:

I would like to thank you, Joe McRae and the City of Evanston for inviting our group to make a proposal for the redevelopment of the Harley Clark Mansion. Unfortunately, we will not be able to make a proposal despite how intriguing this opportunity is. After careful evaluation, the physical limitations of the site and of the buildings combined with the significant cost of renovating this historic property makes turning this property into a first class Boutique Hotel financially unprofitable. We spent a considerable amount of time with two very well respected consultants, Cannon Design to do our planning and Valenti Builders to do our pricing. The costs came in about twice what they needed to be, not counting the environmental remediation concerns. We looked at other uses, but kept coming back to a boutique hotel scheme as the highest and best use.

I would be more than willing to go through our findings with you, if that will helpful for your department or for the City in trying to decide on what best to do here. As a long time Evanston resident, I would very much like to see something done with the Harley Clarke Mansion to create a positive value to the City of Evanston and for the community.

Sincerely,

Thomas G. Omundson