



Chicago Park District

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Title:	AUTHORIZATION TO ENTER INTO A CONCESSION PERMIT AGREEMENT WITH LAKEFRONT HOSPITALITY GROUP FOR THE DESIGN, RENOVATION, AND YEAR-ROUND OPERATION OF THE RESTAURANT, THEATER AND EVENT SPACE		
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March 11, 2015 - Board Meeting

AUTHORIZATION TO ENTER INTO A CONCESSION PERMIT AGREEMENT WITH LAKEFRONT HOSPITALITY GROUP FOR THE DESIGN, RENOVATION, AND YEAR-ROUND OPERATION OF THE RESTAURANT, THEATER AND EVENT SPACE

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

Pursuant to Chapter IX of the Code of the Chicago Park District, it is recommended that the General Superintendent and CEO or his designee enter into a Concession Permit Agreement with Lakefront Hospitality Group for the design, renovation and year-round operation of the restaurant, theater and event space at Theater on the Lake. The concessionaire was selected pursuant to a publicly advertised Notice of Availability. No work may commence, and no payment shall be made to vendor prior to the execution of a written Concession Permit Agreement.

II. Award Information

Concessionaire:	Lakefront Hospitality Group 1058 West Albion Avenue Chicago, IL 60626
Company Type:	Illinois Corporation
Majority Interests:	John Wrenn
Concession Permit Agreement Term:	Ten (10) years with five (5) one (1) year extension options. Extension options exercisable solely at the discretion of the Chicago Park District.
Scope of Services:	Design, renovation, and year-round operation of restaurant, theater and event space at Lincoln Park's Theater on the Lake (see Exhibit A).

Affirmative

Action Goals: Minority- and Women-Owned Participation for this contract includes several MBE/WBE certified subcontractors that will provide historic preservation and architectural consulting, civil engineering and design services as well as printing, signage and digital services.

Authorization: Authorize the General Counsel to include other relevant terms and conditions in the written Concession Permit Agreement. Authorize the General Superintendent to execute the Concession Permit Agreement and the Secretary to attest as to the signing of the Concession Permit Agreement and keep an original copy of the Concession Permit Agreement on file.

III. Business Terms

See Exhibit B

IV. Notice of Availability and Selection Process

Date Notice of Availability Advertised:	February 28, 2014
Site Visit and Meeting:	April 10, 2014
Application Due Date:	June 23, 2014
Number of Applications Received:	Five (5)

The Department of Revenue (“Revenue”) publicly advertised this Notice of Availability (“NOA”) which described the opportunity in thirteen (13) pages and was supplemented by ten (10) exhibit pages that included construction drawings and specifications as well as photographs. The NOA also included some of the terms and conditions that will be part of the Concession Permit Agreement (e.g. termination for convenience) and a detailed itemization of the concessionaire’s non-reimbursable operating expenses. Additionally, the NOA instructed applicants to complete and submit as part of their application: (i) a detailed description of their proposed restaurant, theater and event spaces; (ii) proposed business terms; and (iii) a description of the applicant’s experience.

The NOA was made available for download at the Chicago Park District’s Purchasing home page, and Revenue also undertook efforts to announce the NOA including notifying some of the CPD’s existing concessionaires and informing the Illinois Restaurant Association. Five applications were received. Upon initial review by Revenue all were deemed non-responsive. The non-responsive applicants were notified and given an opportunity to submit missing information. Revenue then convened a committee comprised of CPD personnel to review the applications. The firms offered highly competitive proposals and the review committee requested additional details at several points throughout the review process. Upon conclusion of the review process, the committee selected Lakefront Hospitality Group for award.

V. Explanation

The Chicago Park District (“CPD”) requires the services of a concessionaire for the design, renovation and year-round operation of the restaurant, theater and event space at Theater on the Lake. The facility is located in Lincoln Park on the shore of Lake Michigan just north of Fullerton Avenue. Since 1953 Chicago Park District has hosted annual summer theater productions in the space, as well as a Halloween haunted house. The building is adjacent to a lawn that is a popular rest stop for users of the the Lakefront Trail. Major shoreline reconstruction is currently under way adjacent to Theater on the Lake which also includes improved access to the facility. This offers a logical opportunity for the Chicago Park District to rejuvenate the historic venue in tandem. The target is to have building and site renovations complete and ready for operation in summer 2016.

The professionals at the helm of Lakefront Hospitality Group each have a minimum of 25 years of experience in Chicago’s flourishing hospitality industry. They have operated successful restaurant, bar and special event rental establishments in Chicago that include Lizzie McNeil’s Irish Pub, Salvatore’s and Sully’s House. Sully’s House hosts over 200 events per year and has seen revenues grow by 30% each year. Another partner founded and manages Dillon Productions, Inc., a firm that specializes in high profile event management.

Lakefront Hospitality Group proposes a historically sensitive loft-like design aesthetic that will allow the original structure to maintain an open-air feeling while operable partitions provide flexibility to accommodate various sizes of events and performances. The theater space will host the Chicago Park District’s Theater on the Lake program as well as other performances. Two adjacent event spaces can be used as pre-function space and are also expected to attract weddings and other social occasion rentals. All spaces open to the lakefront terrace.

The proposed restaurant will feature casual dining with American cuisine. Theater-goers will be offered a quick and convenient dinner option before the show, while lakefront trail users can grab a sandwich and beverage while stopping off for a break to take in the stunning skyline view from the south terrace.

Lakefront Hospitality Group has the experience, capability, and personnel necessary to renovate and operate the restaurant, theater and event space at Theater on the Lake. Therefore, it is in the best interest of the Chicago Park District to recommend Lakefront Hospitality Group for the award of the concession permit agreement for the design, renovation and operation of the restaurant, theater and event space at Theater on the Lake.

VI. General Conditions

- 1) *Conflicts*: The Agreement shall not be legally binding on the Chicago Park District if entered into in violation of the provisions of 50 ILCS 105, the Public Officer Prohibited Activities Act.
- 2) *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of the agreement.
- 3) *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to Section 17(i) of the Chicago Park District Act, 70 ILCS 1505/17(i). All agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year budget.
- 4) *Economic Disclosure Statement ("EDS")*: Contractor has submitted a full and complete EDS.