



Chicago Park District

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Title: AUTHORIZATION TO ENTER INTO A CONCESSION PERMIT AGREEMENT WITH PARK RESTAURANTS, LLC FOR NORTH POND RESTAURANT: YEAR-ROUND OPERATION AND CAPITAL IMPROVEMENTS

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AUTHORIZATION TO ENTER INTO A CONCESSION PERMIT AGREEMENT WITH PARK RESTAURANTS, LLC FOR NORTH POND RESTAURANT: YEAR-ROUND OPERATION AND CAPITAL IMPROVEMENTS

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 Park Restaurants, LLC for the year-round operation at and capital improvements to the restaurant in Lincoln Park known as North Pond Restaurant. The Chicago Park District's competitive and public process for awarding concessions was suspended for this opportunity.

II. Award Information

Concessionaire: Park Restaurants, LLC
3424 S. State
Chicago, IL 60616

Company Type: Illinois Limited Liability Corporation

Majority Interests: Richard Mott 47.13%
Bruce Sherman 27.11%
21 other individuals ≤ 7.07%

Concession Permit Agreement Term: 10 year initial term with five (5) one (1) year extension options. The extension options are exercisable solely at the discretion of the Chicago Park District.

Scope of Services: The year-round operation of and capital improvements to the restaurant in Lincoln Park known as North Pond Restaurant.

Affirmative

Action Goals: Park Restaurants will use their best efforts to include MBEs and WBEs for the restaurant operation and capital improvements.

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 A.

IV. Notice of Availability and Selection Process

The Chicago Park District's ("CPD") competitive and public process for awarding concessions was suspended for this opportunity. Park Restaurants, LLC, has been the concessionaire operating the restaurant in the small structure next to the North Pond in Lincoln Park for over 20 years. During this time, Park Restaurants has invested over \$1,000,000 to renovate the small structure and make it a white tablecloth, fine dining establishment, the only one of its kind in the CPD's concession program. Additionally, over the past 20 plus years, North Pond Restaurant has become an acclaimed restaurant, winning many awards, including one of the highest honors in the culinary world, a Michelin Star which it received in 2013 and retained in 2016. Further, the talent and excellence of the long time chef of North Pond Restaurant, who'll remain at the restaurant, was recognized in 2012 when he won a James Beard award for Best Chef in the Great Lakes Region, the highest in the culinary world for chefs, after he was nominated many times previously. North Pond Restaurant is unique in the CPD's concession program, it's consistently one of the best restaurants in the City, has achieved high recognition in the culinary world, and therefore, it's in the best interest of the CPD to retain Park Restaurants, LLC on a noncompetitive basis.

V. Explanation

The Chicago Park District ("CPD") requires the services of a concessionaire for the renovation and year-round operation of the restaurant at North Pond in Lincoln Park.

Park Restaurants, LLC has been operating North Pond Restaurant, a quaint structure that is set into a hill with frontage facing the idyllic North Pond Nature Area and stunning skyline views, for over 20 years. The small structure was originally built in 1912 as an ice skating warming shelter, then it became a hot dog stand, and lastly, after Park Restaurants invested over \$1,000,000 into the structure during the '90s, it became what it is today: an arts and crafts style, fine dining, white tablecloth, award winning restaurant.

The professionals at the helm of Park Restaurants, LLC each have a minimum of 25 years of experience in Chicago's dynamic restaurant industry and have operated North Pond Restaurant successfully for nearly 20 years. The restaurant has become internationally renowned and is an industry leader in sustainability best practices. In 2003 Chef Bruce Sherman was honored by Food and Wine Magazine as one of 10 "Best New Chefs" in the country. Subsequently, Chef Sherman was awarded a coveted James Beard Award for Best Chef in the Great Lakes Region in 2012. Additionally, in 2013 North Pond Restaurant was awarded the most prestigious honor in the culinary world, a Michelin Star and retained it in 2017. Lastly, North Pond Restaurant is one of the first to feature organic, locally grown, farm to table, ingredients.

Moving forward, Park Restaurants, LLC proposes historically sensitive and operationally long overdue exterior, interior, and sustainable improvements to the structure including: roof repair, rebuilding the north and south walls, the reconstruction of the historical skylight to add natural light and additional ambience to the dining room, repainting and restaining the entire structure, repairing and insulating the east and west walls of the facility in addition to heating the entry vestibule, the addition of a green (growing) roof, an energy efficient back-up generator as well as energy efficient refrigeration units, and hood / exhaust system controls. The target is to continue operations without interruption and have the interior and exterior site renovations complete and ready for operation in summer 2019.

North Pond Restaurant is unique in the CPD's concession program, it's consistently one of the best restaurants in the City, has achieved high recognition in the culinary world. Furthermore, Park Restaurants, LLC has the unparalleled experience, proven capability, and highly talented and skilled personnel necessary to renovate and operate the restaurant at North Pond. Therefore, it is in the best interest of the Chicago Park District to recommend Park Restaurants, LLC for the award of the concession permit agreement for the capital improvement and year-round operation of the restaurant at North Pond.

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 Chicago 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")*: Concessionaire has submitted a full and complete EDS.

Exhibit A - Business Terms

Base Rent

2018	\$100,000
2019	\$102,000
2020	\$104,040
2021	\$106,121
2022	\$108,243
2023	\$110,408
2024	\$112,616
2025	\$114,869
2026	\$117,166
2027	\$119,509

Gross Concession Revenue Share

2018	7% over \$1,428,571 in gross concession sales
2019	7% over \$1,457,143 in gross concession sales
2020	7% over \$1,486,286 in gross concession sales
2021	7% over \$1,516,011 in gross concession sales
2022	7% over \$1,546,332 in gross concession sales
2023	7% over \$1,577,258 in gross concession sales
2024	7% over \$1,608,803 in gross concession sales
2025	7% over \$1,640,980 in gross concession sales
2026	7% over \$1,673,799 in gross concession sales
2027	7% over \$1,707,275 in gross concession sales

Capital Improvements

Total	\$631,250.00
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