

The Evanston Conservancy Benefit Corporation ("Evanston Conservancy") is pleased to submit this addendum of additional information in regard to the City of Evanston RFP 19-29 for the Long-Term Lease of the Harley Clarke Mansion and Coach House.

We remain committed to working in collaboration with the City of Evanston and wider community to deliver a fiscally self-sustaining, dynamic new center for conservation, education, advocacy and community in the historically landmarked Harley Clarke property.

It's safe to say that since we submitted our proposal on February 28th, almost nothing is the same in this world. Harley Clarke offers a unique opportunity to create a truly healthy space in an existing city asset. All building operators wish they had fresh air and natural ventilation. That is just one of the existing opportunities we see. We are committed and have the experience to develop and implement new protocols in this renovation which will ensure a healthy and safe space. As our non-linear funding model is not based on fundraising alone, insulating us from financial uncertainty.

While we were unsure what their response might be to the changing landscape, the pandemic has caused our tenants to become even more encouraged about the possibility of operating in this historic space. Tenants such as Covenant Nursery School nature-based preschool, multiple caterers within an event space and café, Heritage Bikes, Creative Co-working and the Talking Farm, remain committed to this new challenge.

Thank you for your continued commitment to this exciting project.

Trish Stieglitz, Vice President & Secretary (Authorized Binding Official)
Richard Murray, President

Evanston Conservancy Benefit Corporation
1024 Central Street
Evanston, IL 60201
847-401-0668



ADDENDUM

BENEFIT CORPORATIONS

COMMUNITY BENEFITS

FINANCE

PROJECT COSTS

RENTAL RATES

REVENUE SHARING

HEALTHY SPACES/HEALTHY PEOPLE

BENEFIT CORPORATIONS

WHY WE CHOSE THIS STRUCTURE

A benefit corporation is a new type of business entity with modified obligations committing it to higher standards of purpose, accountability, and transparency:

- **Purpose:** Benefit corporations commit to creating public benefit and sustainable value in addition to generating profit. This sustainability is an integral part of their value proposition.
- **Accountability:** Benefit corporations are committed to considering the company's impact on society and the environment in order to create long-term sustainable value for all stakeholders.
- **Transparency:** Benefit corporations are required to report annually, using a third party standard and made public, to show their progress towards achieving social and environmental impact.

Unlike for-profit corporations that are required to act solely to maximize financial returns, benefit corporations are mission driven and socially conscious businesses. Illinois was the eighth state to adopt a benefit corporation statute, effective in 2013 (pursuant to the "Benefit Corporation Act" 805 ILCS 40/). In the U.S., 37 states have adopted benefit corporation statutes and legislation is pending in four other states.

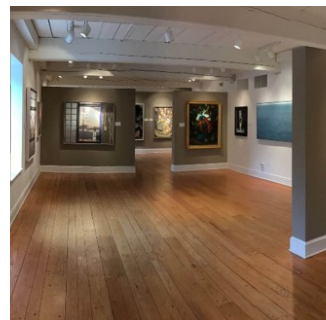
A few examples of other benefit corporations in the U.S. include:

- Allbirds
- Cotopaxi
- Eileen Fisher
- Ethique
- Kickstarter
- King Arthur Flour
- Patagonia
- Solberg Manufacturing
- Tentree

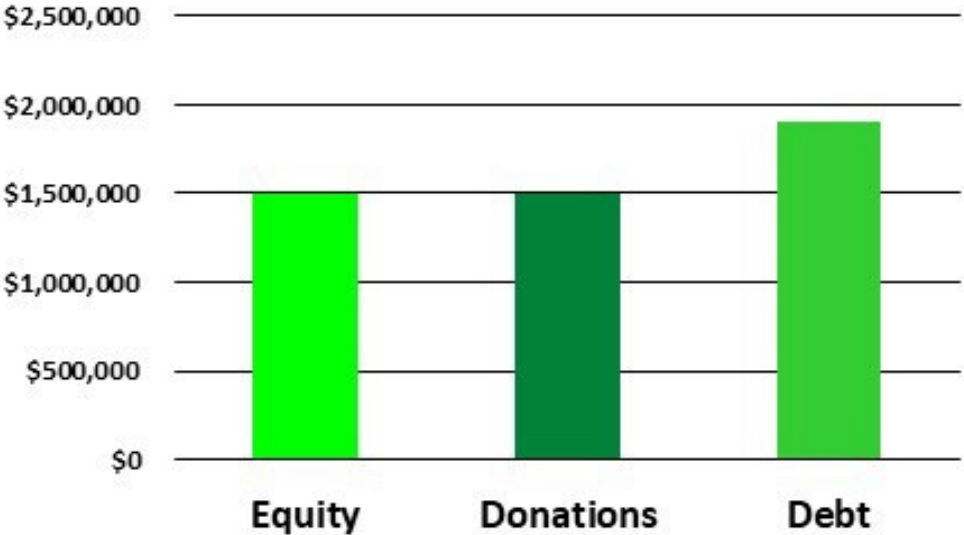
COMMUNITY BENEFITS

We have cultivated a tenant list that best utilizes the spaces at Harley Clarke, while also sharing our commitment to serve the wider community. An overview of some of these community benefits include:

- Equity-based scholarships
- Youth training and internships
- Industry training and employment opportunities for underserved members of the community
- Subsidized theatre experiences centered on inclusion
- Resident discounts and scholarships, free workshops & programming
- Partnerships with area non-profits
- Proportional dedicated community access to programming



FINANCE



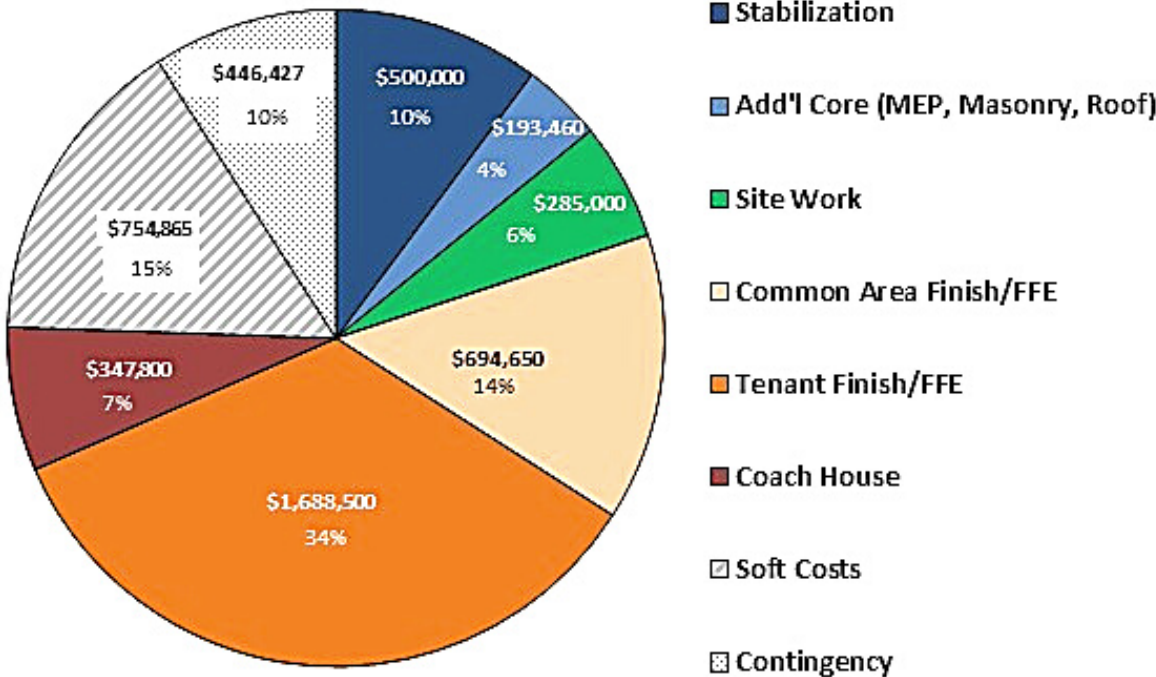
Investors

- Cash Return
- Federal Historic Tax Credits
- IL Historic Tax Credits
- Preservation Easement

Bank Metrics

- Loan-To-Value = 0.24
- Debt Coverage Ratio (Yr 3) = 1.70

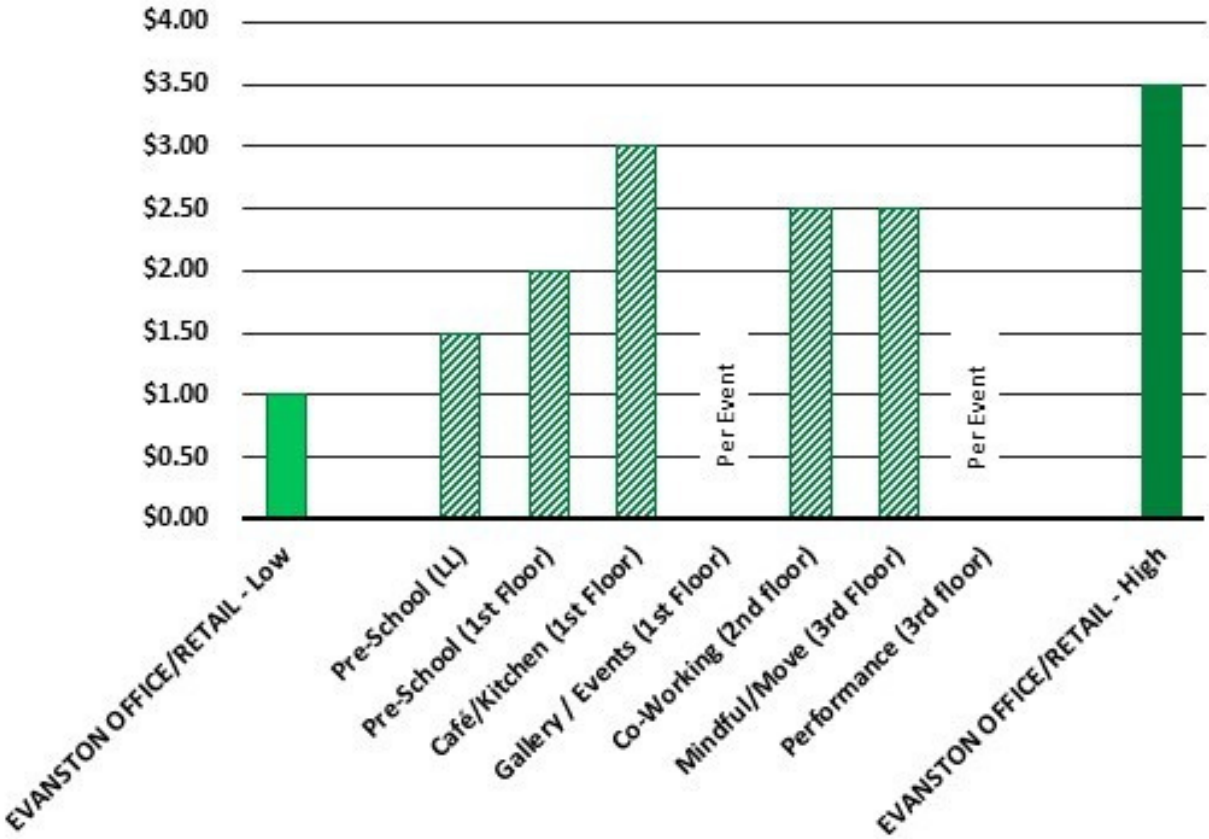
PROJECT COSTS



Total Project = \$4,910,702
(\$226/SF)

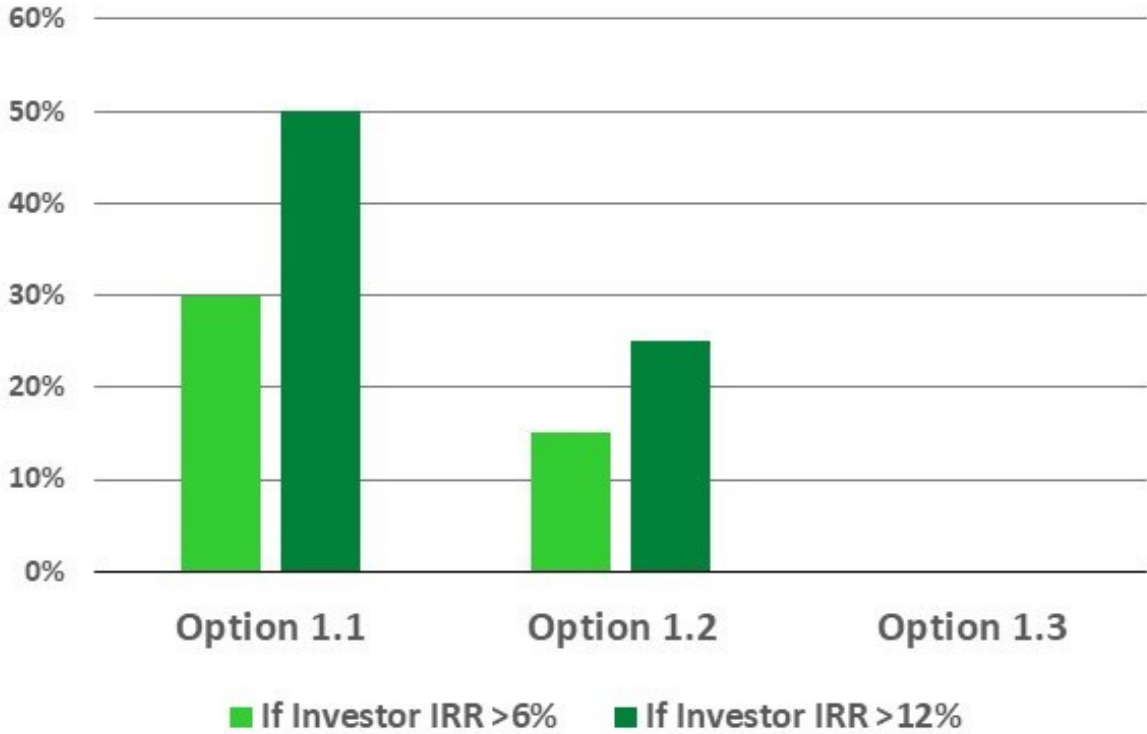
RENTAL RATES

ASSUMPTIONS (CURRENT \$)



REVENUE SHARING

REVENUE SHARING WITH CITY OF EVANSTON AS % OF ANNUAL SURPLUS (AFTER YEAR 3)



Please refer to pages 74 and 75 of our RFP submission for more details on these revenue sharing options.

HEALTHY SPACES / HEALTHY PEOPLE

These unprecedented times bring challenges, but also opportunities. While norms and expectations shift, our basic societal needs for connection and relationships do not, necessitating a sharp focus on the importance of creating healthy buildings and healthy spaces. Ignoring the need for current or future connections at this challenging time is not an option.

Neuroscientist Matthew Lieberman states that connection is humanity's "superpower" - one that makes humans smarter, happier and more productive. Meta-analysis research found a 50% greater likelihood of survival for the participants of studies who had stronger social relationships.[1]

As humans, we are hardwired to connect; we are drawn to living life together - raising families, working, eating, creating and celebrating. Now is not the time to retreat from creating spaces that support these connections.

Harley Clarke offers a unique opportunity to create a truly healthy space in an existing city asset. What was once seen as a challenge - antiquated building infrastructure, need for investment - are now opportune advantages to build from. The Evanston Conservancy has unique experience in creating these healthy spaces.

[1] <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2910600/>



HEALTHY BUILDINGS

Buildings themselves can support healthy spaces. Effective mechanical systems and new technology together can sanitize ambient air and surfaces with minimal user input. This isn't to discount the importance of good old natural ventilation. Harley Clarke benefits from oversized, operable windows with unobstructed natural airflow, in particular from the east/Lake Michigan.

HVAC SYSTEMS

Where possible, all central air handling systems will offer elevated MERV filtration to promote healthy air. All spaces will be further mitigated through:

- Testing/balancing and repairs as needed
- Keeping systems running for longer hours to reduce "ramp up" time
- Increasing fresh air supply through natural ventilation
- Opening outdoor air dampers to the extent possible
- Sealing edges of the filter to minimize bypass
- Regularly inspecting systems and filters to ensure they are operating properly



AIRPHX

We plan to install airPHX units into all Harley Clarke spaces, appropriately cited to maximize effective coverage of all areas. airPHX technology provides 24 hour protection against bacteria and viruses, generating sanitizing air via a simple, wall mounted unit. airPHX (pronounced “air-fix”) devices produce a proprietary blend of Reactive Oxygen Species. These ROS gas molecules occur naturally in most environments, but airPHX produces them in a unique mixture that is continuously effective in sanitizing spaces in an organic and safe manner. As this is truly a “plug and go” system, there is little required maintenance or potential for user error.

airPHX destroys over 30 viruses, bacteria, protozoa and other pathogens with an over 4 log reduction in only 30-minutes. Studies have shown that airPHX technology is effective against coronaviruses with the same genetic makeup as COVID-19 on various surfaces including furniture, wood, flooring, tile, and soft surfaces. And because airPHX treats the ambient air, all surfaces exposed to air are sanitized – not just surfaces within the line of sight. One wall-mounted unit will treat up to 150,000 cubic feet of space, achieving better than hospital grade levels of cleanliness. When located in close proximity to HVAC systems, even larger spaces can benefit.

Despite their simple appearance, airPHX devices feature an atmospheric cold plasma chamber that changes a small percentage of the oxygen molecules in air into a unique spectrum of highly effective Reactive Oxygen Species, including gaseous hydrogen peroxide. These ROS gas molecules occur naturally in most environments, but airPHX produces them in a unique mixture that is continuously effective in sanitizing spaces in an organic and safe manner, even in hard to reach places. The trace levels of various ROS produced are so minimal that they are less than 1/10th of the OSHA identified safe exposure limit. This means that unlike other sanitizing systems, airPHX can run continuously in occupied spaces with no harmful chemicals or odors.

airPHX are widely used in medical facilities like ICUs and other immune-sensitive spaces, consistently resulting in 95.6% to 98.2% fewer airborne germs and 92% fewer surface germs. This means bacteria, influenza, MRSA, coronaviruses, staph, norovirus, and other pathogens are virtually eliminated. Effectiveness has been shown in laboratory and real-world settings and validated by third party assessments.



SAFE PROTOCOLS

One benefit of a new roster of users is a fresh look at protocols, from the ground up. This will not be an instance of having to break old habits - procedures will be clear from the start and reinforced continuously. Frequent cleaning and sanitization will be the norm, with an emphasis on high touch points, e.g. railings, door handles, restrooms, table tops, etc. Touchless amenities such as touchless faucets and automatic air hand dryers will be included to minimize contamination of common touch surfaces.

MAXIMIZE PROGRAMMATIC EFFICIENCY

Our proposed programming has always focused on the healthy aspects of everyday life - work, play, and community. This emphasis is particularly important now, as society's focus has sharpened on the importance of well-being, connectivity and healthy living. For instance, our proposed tenant mix would offer co-working spaces alongside an outdoor-focused children's nursery, keeping both in close proximity. Cyclists along the high-use Sheridan Road trail could stop into our full service bike shop en route. Visitors of Lighthouse Landing or participants in a yoga class lakeside on the Harley Clarke lawn could grab a snack in our light fare café. By focusing on a multi-use, full spectrum mix, we not only make economic sense, but community sense as well.

