

# Memorandum

To: Honorable Mayor and Members of the City Council  
From: Paul Zalmezak, Economic Development Manager  
CC: Steve Ruger, Deputy City Manager Luke Stowe, City Manager  
Subject: Acceptance of \$985,000 U.S. Department of Transportation Innovative Finance and Asset Concession Grant  
Date: November 25, 2024

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Recommended Action:

Staff recommends accepting the U.S. Department of Transportation Innovative Finance and Asset Concession Grant to provide funding to launch the implementation of the adopted Putting Assets to Work—A Guide For Making Strategic Investments in Evanston’s Priorities and Possibilities (PAW).

Council Action:

For Action

Summary:

Staff recommends the City Council accept the \$985,000 U.S. Department of Transportation Innovative Finance and Asset Concession Grant to help the City of Evanston initiate implementation of the adopted Putting Assets to Work A Guide For Making Strategic Investments in Evanston’s Priorities and Possibilities Plan (PAW). Upon approval, the City Manager will execute the grant agreement.

Once the grant is executed with the USDOT, staff will return to the City Council on January 13, 2025, to seek authorization to approve a contract with the PAW consultant. Work is expected to begin February 1, 2025.

**Background**

The grant funding will support a program to analyze further and determine new revenue models/revenue potential of existing city assets for transit-oriented redevelopment within one-half mile of the Chicago Transit Authority (CTA) Noyes and Foster Purple Line Stations, including the Lorraine H. Morton Civic Center, the Noyes Cultural Arts Center, and the Police/Fire Headquarters.

"Redevelopment" of these properties doesn't necessarily mean demolition and new construction for an alternative use. The analysis will include reviewing, where applicable, the expanded revenue potential of existing operations and space utility, including the development potential of adjacent parking lots and/or undeveloped land. Any recommendation for expansion, sale, lease, and more will require a complete public process, including City Council approval.

Staff intends to use the grant to build capacity to create value from these city-owned parcels near the transit stops through public-private partnerships, private capital investment, the [Transportation Infrastructure Finance and Innovation Act \(TIFIA\)](#) loan program, and [asset concession arrangements](#). Funds will be used to build organizational capacity by:

- Hire/compensate staff who can lead the initiative, manage the efforts of external experts, streamline City approval and formation of public-private partnerships, and coordinate efforts with other state, regional, and federal government partners.
- Retaining external experts to conduct the necessary analyses, develop recommendations, conduct a use case analysis, complete a financial analysis, evaluate equity considerations, environmental analysis, and financial structuring.
- Retaining external experts to support policy formation and adopting policies and tools that will facilitate an asset management strategy based on the learnings and best practices from the above experiences.

Legislative History:

City Council adopted the Putting Assets to Work plan on April 29, 2024.

Attachments:

[Putting Assets to Work Plan](#)

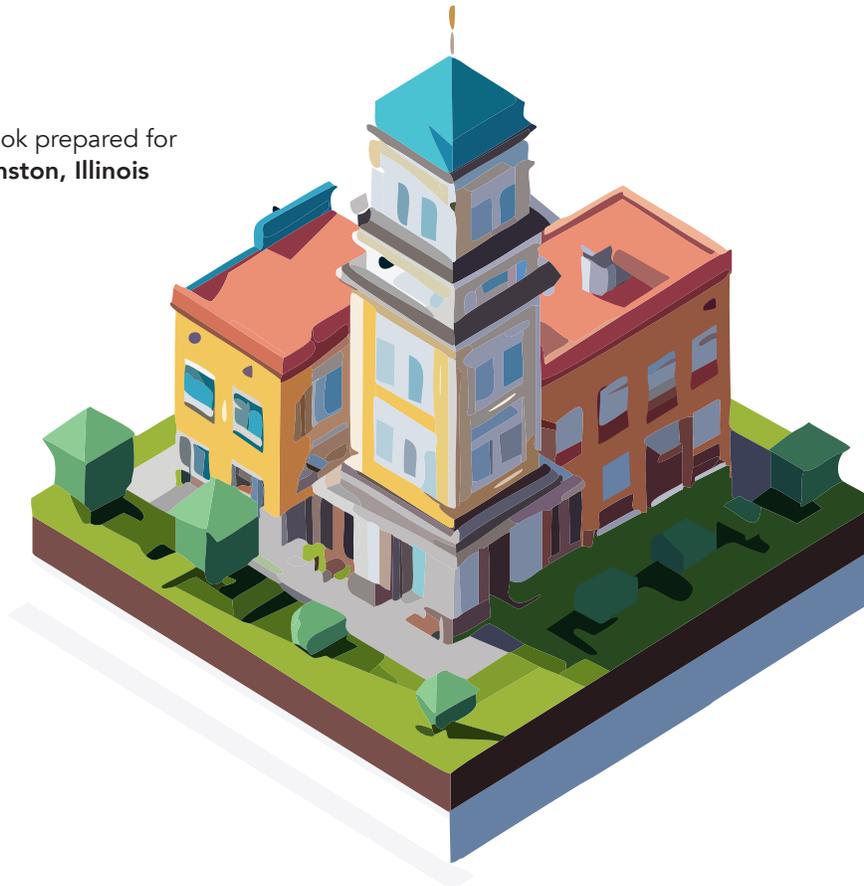
[USDOT Innovative Finance and Asset Concession Grant](#)



# Putting Assets to Work

A Guide For Making Strategic Investments in  
Evanston's Priorities and Possibilities

Playbook prepared for  
**Evanston, Illinois**



URBAN3



2024

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# LETTER FROM BEN MCADAMS



**Ben McAdams**  
*CEO of Common Ground Institute,  
Former Mayor and U.S. Congressman*

Millions of people around the world have discovered how to make money in their own backyard – or in their own homes: renting out a spare bedroom or a guesthouse, for example, has become a common way for families to earn cash that helps them pay for groceries, gas, or other needs. Similarly, many local governments own a wealth of real estate assets that are underutilized – dormant parking lots, empty plots of land, half-empty office buildings, foreclosed properties, and more.

What would happen if governments made better use of those assets? What if governments could use them to generate ongoing revenue for public services? Imagine the playgrounds that young children could play on. Imagine the veterans who are struggling with addiction who could enter evidence based recovery and earn a paycheck. Imagine providing more access to stable, affordable housing and childcare for people who are working hard to put food on the table. Imagine filling all those potholes. Imagine greater investment in green technology, clean energy and climate resilience. Now imagine doing it without raising taxes on a single person. That's what we mean by Putting Assets to Work.

This approach has been used with great success in several cities across the world already – notably in Hong Kong; Singapore; Hamburg, Germany; and Copenhagen, Denmark. We believe the time has come for local leaders across America to do the same. Social and environmental needs are growing and fiscal cliffs are looming. Cities need new approaches to find the resources they need.

The Putting Assets To Work concept is straight-forward:

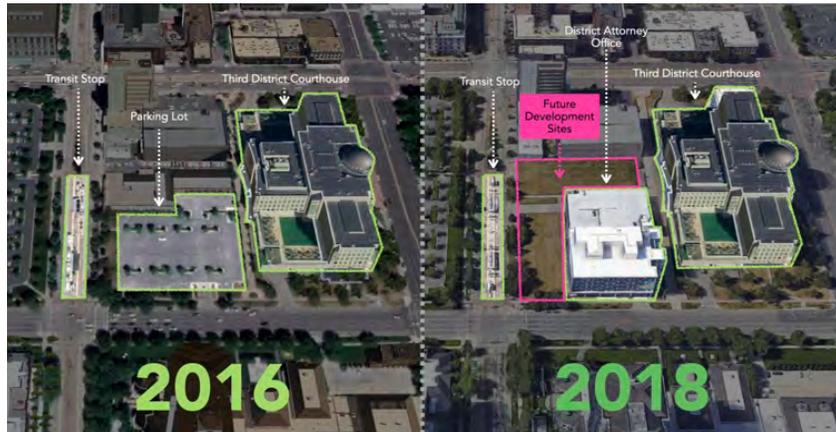
- A local government identifies a **key goal**, such as infrastructure investment, social or environmental benefit, or other clear local priority that requires additional revenue.
- In partnership with experienced subject matter experts, the government inventories all **publicly owned assets** in their jurisdiction. Typically, the value of publicly owned assets far exceeds estimates, which are usually based on their price at the time of purchase, which may have been years or decades ago - not current market value.
- The government identifies **one or more of those underutilized assets** to be developed to their **highest and best use** within parameters set by local policymakers.
- The government uses internal and external expertise to **improve, manage, and maintain** the asset.

- The additional value and revenue that is created from assets is **transferred to the public** in the form of concrete benefits, as identified in the first step.
- Government and outside entities provide **oversight** throughout the process.

When I was Mayor of Salt Lake County, Utah, I worked with Urban3 to map all commercially viable publicly-owned real estate in the county. We discovered a gold mine: our government and related public-sector entities owned more than \$10 billion in assets. I said then, "If we can improve the return on our assets even slightly, we can start to address some of the major challenges facing our region like increasing the availability of affordable workforce housing and making investments in our transportation infrastructure, and we can do it without raising taxes."

Shortly after we completed this asset inventory, I was elected to the United States Congress in 2018 and left this work in the hands of the new administration. Mayor Jenny Wilson, who succeeded me as mayor, and her terrific team have already notched some impressive successes including negotiation of a long-term lease for land adjacent to a new office for our District Attorney that will generate \$500,000 every year. Their good ideas continue to flow as they envision reworking their 15-acre county government campus as a mixed-use, public-private development that could save taxpayers tens of millions. For them, this work has become a new tool to track and manage their overall real estate portfolio, unlocking new opportunities for partnership along the way.

I'm no longer in elected office, but I'm still driven to support cities and counties who are working to uncover the game changing potential of their underused assets. I lead the Putting Assets to Work initiative alongside my colleague, Dr. Kyle Wedberg, with the support of a brilliant team of individuals with deep experience working in the public and private sectors. We work with local government jurisdictions across the United States to develop the policies and recommendations that will support them as they put their assets to work. This Playbook encapsulates the best thinking and ideas we have developed so that you and your community can start putting your assets to work..



Salt Lake City's new office for the District Attorney was built on a parking lot.  
Image Source: Urban3, Google Earth

We intend for this to be a living document. The concepts and policies we are developing alongside the jurisdictions participating in Putting Assets to Work are new. These ideas, policies, and standards will continue to evolve as this work moves forward and we gain more experience. We look forward to working with more local governments as we move forward to further develop those standards as we incubate new ideas together.

We look forward to working alongside you and celebrating your success to inspire others to learn.

*Ben McAdams*  
Ben McAdams

# LETTER FROM DR. KYLE WEDBERG



## Dr. Kyle Wedberg

Senior Manager for Research & Consulting,  
Government Finance Officers Association (GFOA)

The challenges of running a government are both immediate and infinite. My first job was as budget analyst for the City of Chicago. Late one afternoon, after our office was supposed to be closed, my supervisor came by my desk and asked what I was still doing at work. When I said that I was just taking care of a few things, he responded that as long as I was willing to sit there, the city would be willing to pile more work on my desk. He was right, of course - in every local government, there is too much work that needs to be prioritized and too few resources to deliver the full complement of services that the public requires.

What can we do about it?

A trip to Singapore opened my eyes to what is possible. More than 80 percent of Singapore's residents own their own homes; the world class public transportation, including multi-modal and mixed use hubs at subway stops; their urban planning and zoning codes are both progressive and logical; and highly resourced and professional public sector employees make the whole system work. The people of Singapore had a consistent and well-deserved expectation of excellence from the local government – and delivering it was clearly a priority.



Singapore  
Image source: Cris Tagupa

One of the strategies that Singapore has used to deliver on this expectation of excellence is a Public Wealth Fund. This fund acts as both the intermediary and the developer of public lands and assets. This model provides a holding place for land and buildings that are owned by the government but that have been utilized in different ways to directly benefit

citizens.

My work in the public sector spans more than twenty years. That experience, combined with my two years at GFOA, has shown me firsthand that many governments are poor stewards of longitudinal assets.



The American Society of Civil Engineers (ASCE) gave our national infrastructure a cumulative grade of C- in 2021.  
Image source: Zoshua Colah

The American Society of Civil Engineers (ASCE) gave our national infrastructure a cumulative grade of C- in 2021. This indicates that we share a national history of failing to invest in infrastructure - also known as deferred maintenance. Deficits of this scale in our shared assets need solutions, yet there is a persistent lack of real strategic planning for asset management by most governments.

To be clear, there are pure public goods to which the private sector may never provide an effective solution. Early childhood education, reentry programs for formerly incarcerated citizens, workforce housing, homelessness reduction, public transportation, fire prevention, public space, environmental resilience, and public safety are just a few of the myriad competing responsibilities and demands placed on

local governments. Providing these public goods is dependent on our ability to afford them, however, and the ability to provide them with fairness and equity also means more – not fewer – demands on revenue in the coming years and decades.

My dissertation work was on communities that had entered fiscal distress – the public sector equivalent of going to the Intensive Care Unit at the hospital. The Putting Assets to Work (PAW) initiative asks us to think about what governments can do to deliver what citizens need while the patient is still healthy. This is preventative fiscal care for communities – a way to avoid the eventual need for financial palliative care.

There is always more work to be done. We hope that PAW is your city's first step on a long journey of challenging traditional thinking and working differently. By better utilizing your public assets, your local government can move towards healthier public economies, more equitable outcomes, and ensuring that everyone receives the public services and goods that they expect and deserve.

Dr. Kyle Wedberg

# EXECUTIVE SUMMARY



Image source: 'Evanston Thrives' report by City of Evanston

## Introduction

The City of Evanston is leading the way showing other local governments around the country the power that can be tapped from putting public assets to work. Working with staff and leaders from the City of Evanston, the Putting Assets to Work team has identified numerous underutilized assets that can support the city's priorities and unlock new tools and new opportunities that can make a difference. Based on our evaluation of the City of Evanston's public real estate, the city has incredible opportunities to create value from its real estate.

The challenges facing the City of Evanston are coupled with unique opportunities and strengths. The challenges are both unique and held by other cities across the country. Adapting to the evolving revenue sources is an issue facing municipal governments across the country as work-from-home becomes increasingly common and related property tax revenues become less certain and shopping online dampens sales tax revenues.

Aging infrastructure and evolving needs also present challenges for the City of Evanston. In spite of these challenges, the City of Evanston has a strong foundation. There is stable and strong housing stock. The downtown is strong and walkable and benefits from a stable university student population.

Evanston also holds a number of interesting and valuable properties that are prime candidates for the enhanced realization of public good through better utilization or monetization. The City also holds a number of surface level parking lots proximate to other public properties that can be rethought or incorporated into the rethinking of other structures.

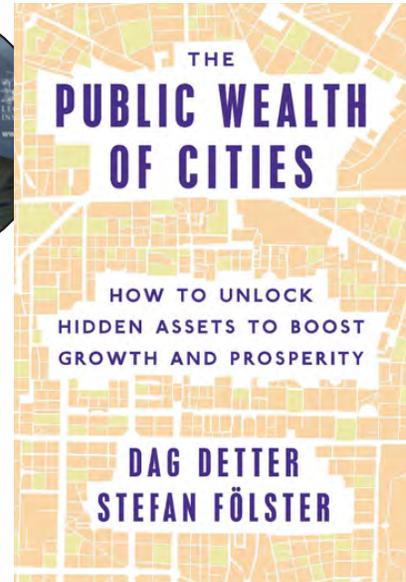
Evanston was selected to participate in the Putting Assets to Work Incubator to work alongside other cities that are facing similar challenges and who share an interest in unlocking value from undervalued and underutilized public real estate assets. This playbook provides a summary of the recommendations we developed after studying public asset management concepts and implementation strategies across more than a dozen jurisdictions. Please note that throughout this playbook, we will use the terms "jurisdiction" and "local government" more or less interchangeably; while most PAW communities are cities, the same principles and approaches can work for county governments, townships, or other types of municipalities.

Before applying public asset principles to the specific circumstances in Evanston, let's review how this initiative began and where the concepts of "Putting Assets to Work" originated.

## Urban Wealth Funds

Many policymakers interested in unlocking the value of underused public assets are familiar with the writings of respected author and practitioner Dag Detter. Detter called for the creation of an Urban Wealth Fund to professionally manage publicly-owned assets in order to convey lasting benefits to the public. As Detter highlights in his book *The Public Wealth of Cities*, the concept of an Urban Wealth Fund is a proven model similar to a Sovereign Wealth Fund that has been successfully implemented in cities such as Copenhagen, Denmark; Hamburg, Germany; and Hong Kong, China.

As you develop and implement the ideas in this playbook, remember that your city is welcome to call this tool by any name that fits your local culture and politics. Referring to this idea as an “urban wealth fund” worked for some of the places where Detter was seeing it applied, but we recognize that may not be the case where you are. For the purposes of this playbook, we use the term “Putting Assets to Work,” or PAW, but encourage you to brand and describe this work as it gets applied in your jurisdiction in whatever way you see fit.



While not uncommon for jurisdictions to form public-private partnerships to develop a single publicly-owned parcel of land, we are not aware of any jurisdiction in the U.S. that has a formalized and systematized structure for professionally managing their public real estate at scale. Some states such as Alaska, North Dakota and West Virginia have created wealth funds or legacy funds to manage their natural resources and share revenues derived from extractive industries. States that received statehood after 1785 were granted “trust lands” by the federal government – real property intended for the long term support of their public education system. Twenty states still currently own and manage their trust lands and use revenue derived from them to support the public school system.

Perhaps another analogy to an Urban Wealth Fund in the U.S., while not real estate oriented, is the manner in which state and local governments place their pensions under the control of professional managers. These advisors, whose services are competitively procured by the local government, make investment decisions and manage the pension portfolio.



Copenhagen's North Harbor  
Image source: [By & Havn](#)

lio with the goal of maximizing future returns.

There isn't a single right way to create the structures you will need to unlock value from public real estate. Different assets might require different approaches. Our advice: think big and take bold steps. Some opportunities will be easier to unlock than others, so while it might not be feasible to put all of your assets to work on day one, visionary leadership, bold actions, and persistence will ignite prosperity from the dead wood of previous generations.

This playbook proposes a variety of approaches and potential structures that are adaptable to local sensibilities as well as the differing governing perspectives of local leaders.

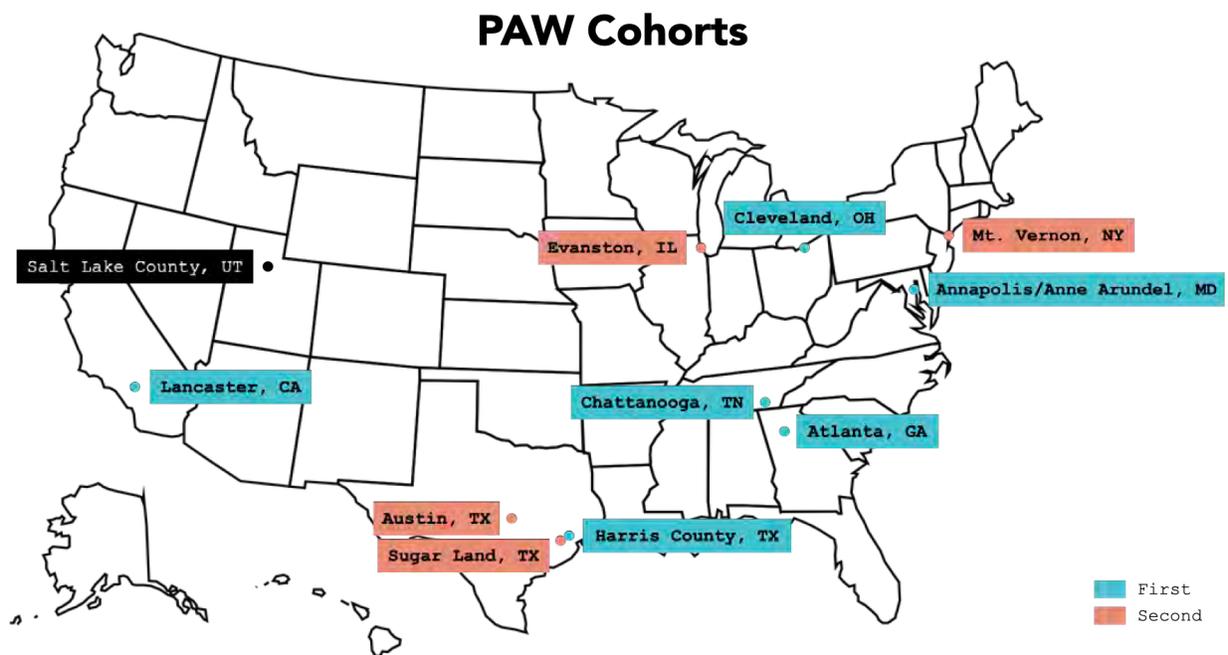
## Putting Assets to Work

Putting Assets to Work is a collaboration of the Government Finance Officers Association, Common Ground Institute, and Urban3.

Putting Assets to Work works with jurisdictions to

1. identify publicly-owned real estate assets, geospatially map and estimate the value of that jurisdiction's real estate portfolio, and
2. develop strategies, tools, and policies to better engage intergovernmental partners and community stakeholders in order to attract private capital and derive new revenue from the portfolio of assets.

The conclusion of the jurisdiction's participation in Putting Assets to Work is intended to mark the beginning, not the end, of this work. It is our goal that this process will generate new support from political and staff leadership, build community buy-in, and attract interest from private capital and impact investors seeking to catalyze



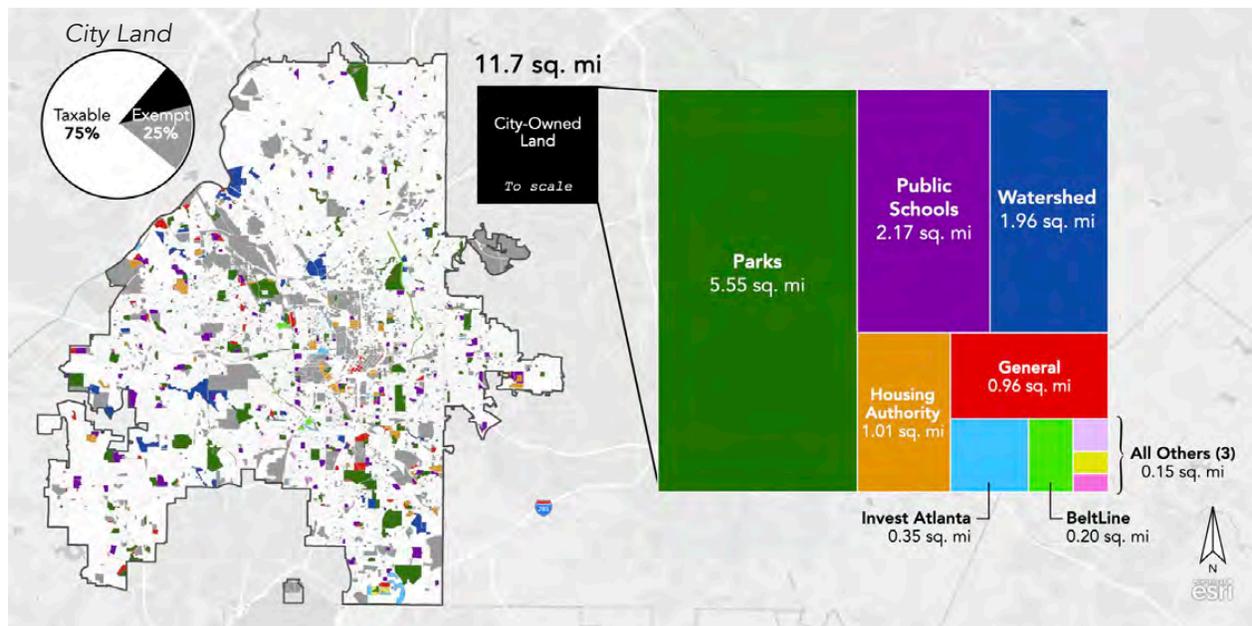
benefits in your community.

As pioneers of these concepts in the U.S., jurisdictions who are implementing this work will surely encounter unforeseen policy or legal hurdles that will require some creative problem solving. This playbook is intended to anticipate some of those challenges and provide paths forward. After your term with Putting Assets to Work has concluded, we hope you will stay engaged with us and your peers across the country to support each other by sharing ideas and innovations, trading legal templates and financial pro formas, and offering encouragement for this game changing endeavor.

This incubator did not include a legal review and analysis of state law or jurisdiction specific ordinances or regulations. The analysis and recommendations in this playbook do not constitute legal advice. Parties should consult with their legal advisors relating to specific matters of state and local laws, rules, orders, or other regulations.

## Asset Mapping

A key element of Putting Assets to Work is creating an inventory and geospatial map of publicly-held real estate within your jurisdiction as well as an estimate of the market value of the portfolio. Using this geospatial map, we worked with jurisdiction leaders to generate ideas for utilizing those assets in new ways that may lead to new revenue-generating opportunities.



Asset map of Atlanta, Georgia  
Image source: Urban3; Data source: Fulton and DeKalb County Assessors

Refer to Attachment B (starting on page 60 of this PAW Playbook) for the asset mapping presentation and illustrative examples of opportunities to put assets to work.

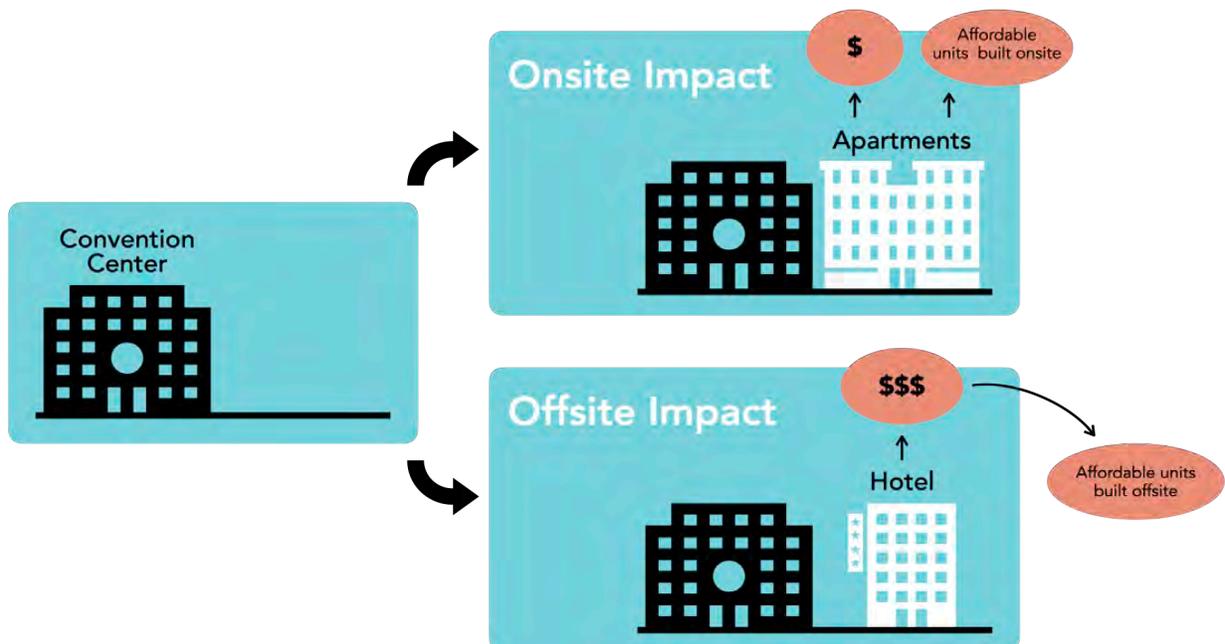
## Onsite and Offsite Impact

The asset mapping exercise highlighted numerous opportunities to better utilize public real estate to generate new revenue and new opportunities.

One way to achieve your jurisdiction objective is to use public real estate directly to create new facilities or new services to meet community needs. For example, you could choose to build a community health clinic on an underutilized parcel in a part of town where public health outcomes are lagging. We refer to this as “onsite impact” because it uses real estate directly to achieve a desired impact objective.

Another approach is to develop a parcel according to its highest market value, which may not always include the desired community impact, but which can generate resources to be deployed at another location. We refer to this approach as “offsite impact” because it uses real estate for a higher-valued project in order to generate a higher financial return that can then support the desired impact objective elsewhere.

An example of an onsite versus offsite impact would be a developable, publicly-owned parcel adjacent to a major convention center. The jurisdiction could offer the parcel to private development at a value that is below market in exchange for a commitment to include a percentage of affordable housing in the development. The parcel is developed as a 200 unit mixed-income housing project with 20% of the units being affordable, creating a total of 40 new affordable housing units (an onsite impact).



Alternatively, the parcel’s proximity to the convention center might make it highly desirable for a hotel development. The jurisdiction could offer the parcel to private development at full market value, committing that the financial return generated for the jurisdiction will support several hundred units of affordable housing development at another location across town -an offsite impact. In this example, the financial return generated from a hotel development instead of a housing development adjacent to the convention center would subsidize a greater number of affordable housing units at another suitable location such that the net offsite impact is far

greater than the onsite impact potential.

We recommend that you consider both onsite and offsite impact opportunities to maximize its efforts to continue services and investments in the community. There are advantages to both approaches and your jurisdiction can choose to pursue either one of these approaches depending on the nature of asset involved and the availability of comparable offsite impact opportunities.

Before deciding which approach to pursue with respect to any individual public asset opportunity, we recommend calculating the potential net impact from each approach to quantitatively and qualitatively compare the net benefits of an onsite approach versus an offsite approach to support the desired community benefits. Certainly, over time, your jurisdiction can create a portfolio of individual developments that encompass both onsite and offsite impact to maximize both financial return and desired community benefits.

In many cases, the beneficial impact will be both onsite and offsite. By remediating blight or creating sufficiently sized parcels that can attract new jobs, revenues - including incremental tax revenues - related to the new uses of the real estate will flow to the local government's general fund or other priority investments.



Image source: City of Evanston

## Implementation

Nothing about implementing a PAW initiative should be entirely novel. It is a realignment of time-tested approaches and best practices optimized around asset maximization for the purposes of investing in those areas our communities want. As Nikola Tesla famously said, "The key to innovation is combining old ideas in new ways."

Moreover, a PAW initiative is an opportunity to implement these concepts strategically and at-scale to make progress on challenges that have vexed communities for decades.

Our advice is **don't wait. Take action.** Do not let perfection be the enemy of progress. Find the most efficient and logical way to **test a concept** and evaluate the outcomes when you're done. Adapt and keep moving.

Oftentimes, starting something new is the most difficult part for a local government. Begin with the opportunities you see in front of you and evolve your work to respond to capacity, needs, and preferences as you grow. The potential that could be unlocked here is dynamic.

## First Steps

Start with a Request for Proposal (RFP) and broaden the approach to also include partners selected by a Request for Qualifications (RFQ) or similar process authorized by state law.

Issuing an RFP is a common approach governments take to create public private partnerships for the purpose of real estate development. This well-defined approach is an ideal way to begin implementation of a PAW initiative. Identify a key parcel, or discrete set of parcels, with a high degree of apparent development potential, issue an RFP, select a private partner, and put the asset to work. Achieving early success is important to demonstrate to other elected and community leaders the direct benefits of tapping into public assets.



Image source: City of Evanston

However, an RFP process is both time-consuming and expertise-intensive and places the burden of this workload solely on government staff who may lack the capacity and real estate development expertise to perform this function alone. A government-centered approach that relies exclusively on existing, overworked staff will likely result in bottlenecks, missed opportunities, and an inability to scale the work across a large public asset portfolio.

We believe there are additional structures and approaches that can augment the RFP-approach and help to alleviate bottlenecks. Ultimately, additional partners, such as a land bank, community land trust, community development entity, or other structures discussed below, will also be needed to scale this work across a large portfolio.

One way to maximize the efficiency and minimize the administrative burden of the process for putting assets to work is to consider packaging related parcels into a single RFP. By bundling assets under one RFP, private partners are given access to more projects, creating sufficient economic motivation to attract numerous respondents and a more competitive process to the benefit of the jurisdiction. Furthermore, the time and administrative burden of drafting and issuing an RFP and managing the contract with the selected partner or partners is dispersed across several parcels instead of just one.

Taking this concept even further, a jurisdiction could consider an RFQ or similar authorized approach to select a partner or partners for a defined period of time. Under this approach, selected partner(s) are pre-qualified to identify asset opportunities, present development proposals and negotiate terms directly on behalf of the jurisdiction, and ultimately enter into agreements for public assets. This approach is similar to how local governments prequalify outside legal counsel or bond underwriters to represent them generally so they are not confined to individual legal matters or one-time bond issuances.

Request for Proposals (RFP)	Request for Qualifications (RFQ)
<ul style="list-style-type: none"> <li>• Familiar process for many government transactions</li> <li>• Ideal for single parcels and isolated deals</li> <li>• Requires extensive oversight from government staff</li> </ul>	<ul style="list-style-type: none"> <li>• Customary process for long-term engagements requiring high levels of expertise and sophistication</li> <li>• More efficient if numerous parcels and transactions are involved</li> <li>• Balances accountability and flexibility</li> </ul>

Moving from an RFP to an RFQ approach may allow your jurisdiction to focus staff time and attention on elements of the initiative where they have clearer expertise. Specifically, staff can evaluate whether various public assets meet the jurisdiction's criteria for inclusion in a PAW portfolio and seek approval from legislative and executive officials to transfer the assets accordingly.

We believe the RFQ approach is likely better suited to quickly scale the PAW initiative to the size of your asset portfolio. Under this approach, you are not expected to solely conduct the time consuming and expertise-intensive process of envisioning and modeling real estate development opportunities for each asset, discretely and separately, as you would with an RFP. Rather, you may rely on the RFQ-selected partners who bring a high level of expertise and can more efficiently conceptualize, financially model, and make informed proposals about PAW portfolio assets in aggregate.

## Thinking Dynamically About Assets



The Morton Civic Center was built in 1901 as a Catholic school and was repurposed as Evanston City Hall in 1975. Evanston initially bought the structure and the campus for under \$2M. The idea at the time was to not let the campus and its buildings go unused. In all actuality, the campus never actually performed as an optimal city hall. The classrooms were too big for single offices, but too small to be subdivided. There was inadequate elevator access to the upper floors. There were multiple entrances that made accessing the proper room in the complex difficult for time and mobility challenged citizens. Large spaces didn't function for community convenings as they were located at the edges of the facility. The campus was not conveniently connected to public transportation, even though the city has both CTA and Metra trains running the length of the city.

Facing an asset deficit born of decades of deferred maintenance and not desiring the investments required to bring a building that lacked as the civic center up to modern standards, the City of Evanston opted to move government operations to vacant commercial office space closer to downtown with improved transit access. With this move, the city was able to take advantage of favorable commercial real estate lease rates, support the post-Covid activation and recovery of downtown, take on a central space that may not have been activated, and give policy makers time to evaluate how to rethink the question of utilization or monetization relative to the Morton Civic Center property.

## Recommendations

We are impressed by the work the City of Evanston has already accomplished to derive value from underutilized municipal assets. Evanston has already turned city-owned parking lots into affordable housing and is rethinking how the city uses space within municipal buildings. The asset maps show the City has a large portfolio of underutilized assets ready to tap and the City has shown its ability to create value from assets.

We believe the next step for the City of Evanston is to formalize a strategic initiative to apply Putting Assets to Work principles more intentionally and systematically. It's time to make this work something the city does deliberately and consistently rather than as a one-off endeavor.

### Immediate Actions: Affordable Housing Initiative

Building on past success and using an approach the city has successfully employed previously, we encourage the city to identify three to five unused or underutilized parcels that are currently used as surface parking or other low-value uses that can be developed to create affordable housing. It's important to include enough parcels that it creates economies of scale and becomes more attractive to a development partner. We believe the city-owned parking on South Boulevard is an example of a parcel that the City can act on immediately. The City should identify similar parcels to include among opportunities for immediate action.

The City has developed affordable housing on city-owned surface parking previously and has seen how this can work. You're ready to create similar opportunities from similar parcels, and doing multiple parcels in parallel will benefit staff and elected officials who become familiar with the tools and approaches that are applied across numerous similar opportunities.

Creating an affordable housing initiative that taps underutilized city-owned real estate will take time and focus from the City. The City will need a staff point person with sufficient time to problem-solve and engage with the community and private partners. We believe this is an investment that will yield dividends to the City that is worth the expense.

### Medium-Term Actions: Revenue Generation

The City has numerous properties that currently serve a municipal function but could become prime opportunities for value or revenue creation. Because these properties have structures and, in most cases, active municipal uses, they are not ready for immediate action, but the City should review these assets for consolidation and repositioning opportunities with an eye to taking action in the medium term.

The City's civic center is a prime example of a municipal asset that demands analysis with an eye to increasing



Image source: Viktor Forgacs

#### Next Steps:

1. Commit staff time: At least 0.5 full-time employees
2. Identify properties: At least 3, preferably 5
3. Partner with a developer: The City could issue an RFO, RFP, or work with a previous partner where a synergy already exists.

the public return on value in the form of new housing opportunities or even revenue-generating possibilities that can support funding for other city priorities. If done expeditiously and thoughtfully, the City's action to relocate from the civic center and move into underutilized commercial office space was a bold action that can become a national example of a best practice for many cities across the country. We recommend the city proceed with an evaluation of potential alternate uses for the civic center over the next six to twelve months and take action to create value from the civic center property in the next year.

While the civic center is a prime example of vacant municipal office spaces, we observed numerous other opportunities for the city to more strategically use existing municipal buildings and create opportunities for housing and revenue generation from underutilized space. As in the case of parking lots, an initiative to create value from strategic consolidation and use of municipal buildings should be a systematic and continuous effort with internal staff and external support sufficient to sustain an ongoing initiative to create value from underutilized properties.

## Lakefront Amenities: Enhance Services

Finally, the most valuable assets any jurisdiction owns are the ones that provide a unique sense of place and a sense of community. A defining feature of the City of Evanston is the lakefront access to nature and outdoor recreation.

The City of Evanston should focus with intentionality on improving the ease of access for residents to lakefront recreational opportunities and attract food, beverage, and other amenities to the lakefront that will improve the time spent and community enjoyment of the lakefront. While the focus of stewardship efforts over the lakefront should prioritize placemaking, community gathering, and enjoyment, lakefront amenities can make this natural community asset a revenue-generating opportunity that can support lakefront priorities and other city needs.

### Next Steps:

1. Identify potential buildings: Can be either a full redevelopment or a partial repurposing of excess space
2. Find a partner: Working with a third-party property advisor, developer, or broker to identify housing or commercial opportunities
3. Identify selling vs. leasing: Based on the potential opportunities, determine if leasing is desirable to generate a long-term income stream that can be used to supplement ongoing needs, such as capital investment in other properties

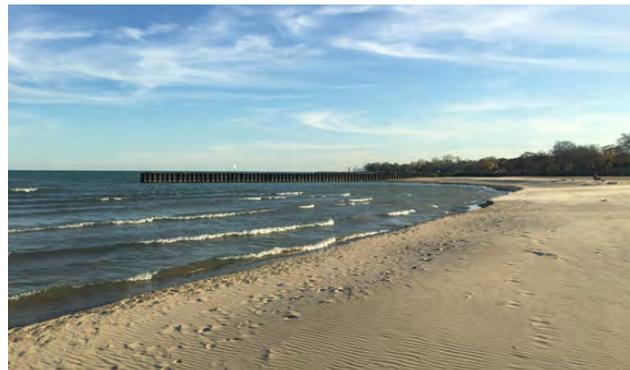
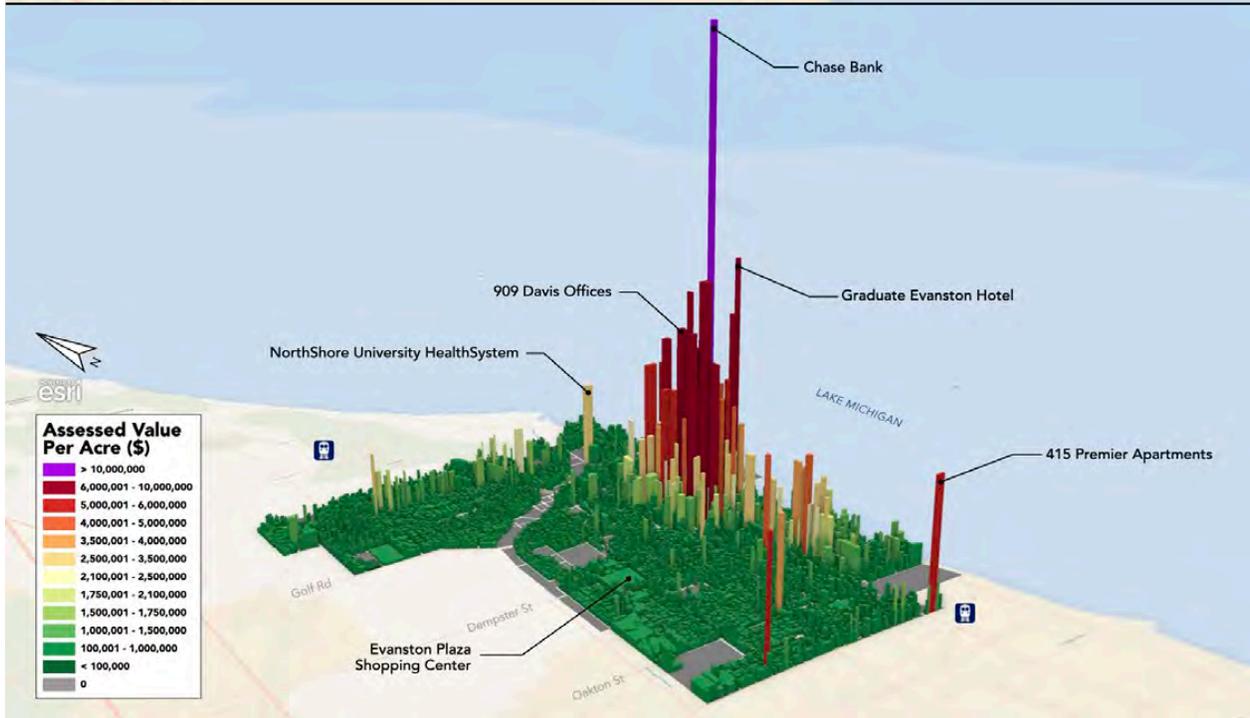


Image source: Lauren Vanden Bosch

### Next Steps:

1. Identify options for additional services: Cafés, equipment rentals, etc.
2. Find a partner: Working with a third-party vendor for café or equipment rental operations
3. Implement a long-term contract: Work to enter into multi-year contract to provide stability in lakefront services.

# REAL ESTATE ASSET MAPPING



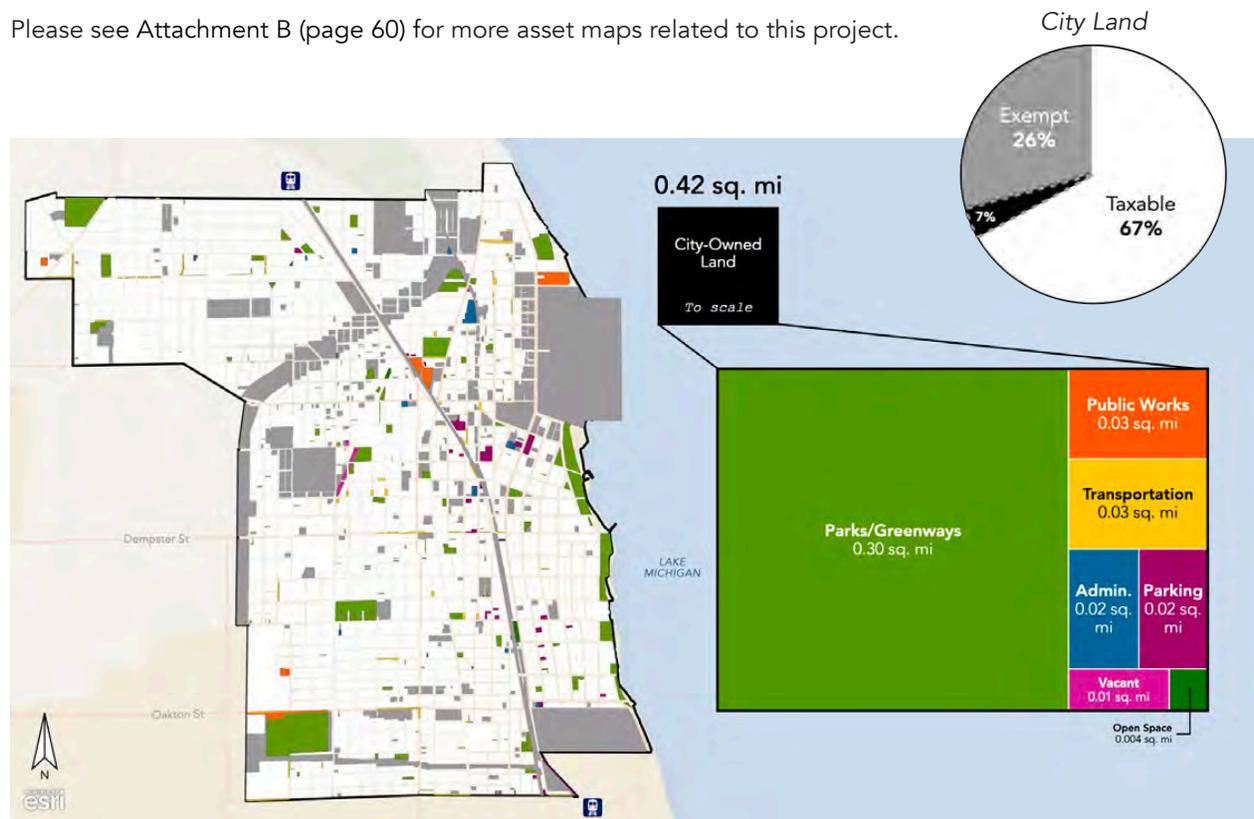
City of Evanston's two-dimensional Value Per Acre model (top) and three-dimensional model (bottom)  
 Source: Urban3; Data source: Cook County, IL

An asset map is a tool for taking stock of the land and buildings owned by government entities of all kinds. While many jurisdictions will have a long list of parcels or properties owned by the jurisdiction, most aren't aware of the breadth of assets they own and, where they are aware of the asset, likely won't know the market value or potential of the asset. An asset map addresses all of these problems.

As the name implies, an asset map is a geospatial representation of publicly-owned assets. Mapping begins with geographic information system (GIS) data on all of the properties your jurisdiction owns. This data is combined and cross-checked from your local county assessor, internal data from other departments, and interviews with staff who have day-to-day interactions with these properties.

Asset mapping is a critical step towards establishing a PAW initiative. As part of the PAW Incubator, Urban3 developed asset maps for the City of Evanston and all of the participating jurisdictions. For each jurisdiction, the asset map identifies assets owned, documents its current market value and, through an analysis of comparable developments, estimates the increase in value that would accrue to the property if it were developed to realize its potential financial value. The asset maps also identify specific parcels that your jurisdiction may wish to consider prioritizing for investment or development.

Please see Attachment B (page 60) for more asset maps related to this project.



City of Evanston's asset map  
Source: Urban3; Data source: Cook County, IL

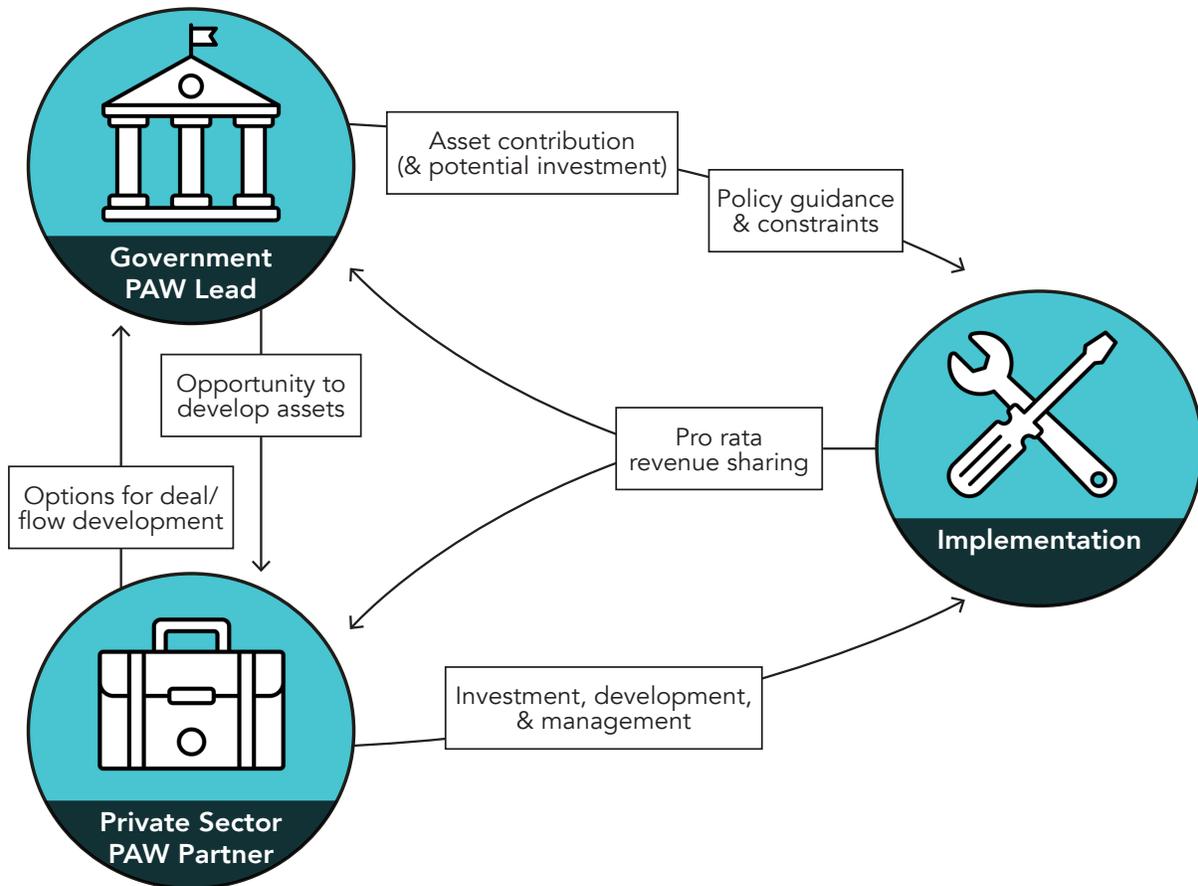
# PUTTING ASSETS TO WORK (PAW) STRUCTURE

The specific structure created for any jurisdiction will necessarily be nuanced to meet specific local needs and adapted to comply with specific state and local laws. Furthermore, best practices will evolve and improve as more jurisdictions embark on this work and learn from the successes and failures of each other.

There are three essential components:

1. **The Government Lead**
2. **Private Sector Partner(s)**
3. A **vehicle**, distinct to each individual PAW project and tailored to the specifics of the particular transaction, to facilitate the implementation (“Implementation” in the diagram below) the development of PAW assets.

Putting Assets to Work (PAW) Structure



The Government PAW Lead grants the opportunity to develop assets to one or more Private Sector Partner(s), which in turn, develops options for deal flow and development of the assets.

In implementation of the PAW initiative, the Government Lead and the Private Sector Partners will collaborate to develop the assets. This collaboration can take several forms and will be discussed in more detail later in the Playbook. Local government can contribute assets, including land, and should articulate their priorities, policy guidelines, and constraints on the project, as deemed appropriate by local leaders. Private Sector Partners contribute additional capital, as well as development services and management expertise, with agreed upon outcomes and terms.

Once development of the asset is completed and it begins to generate revenue, the revenue generated from the development of the PAW assets will be shared in accordance with the agreed upon terms. For instance, if the local government's asset contribution was pledged to the joint venture representing 20% of an eventual project cost, 20% of the revenue generated would accrue to the local government for investment in social or environmental impact or other identified needs or priorities.

The diagram on the previous page illustrates the general framework for the structure of a PAW initiative.

Local leaders will designate an entity or person to serve as the Government Lead for their

PAW initiative. The Government Lead's tasks may include identifying assets to include and assess within the PAW initiative; seeking valuations on those assets; negotiating the agreed upon value of the asset; and communicating the outcomes and social benefits prioritized by the local government. Local governments have a wide array of entities that may be effective in accomplishing this work. Determining the right one for your community will depend on factors such as autonomy requirements, transparency, and others (described in greater detail later in this document).

The Private Sector Partners complement the project through their access to financial and technical resources, which should help alleviate the burden on local governments. This in turn allows the government to focus on its core functions and areas of expertise. There are a variety of potential private partners in any local ecosystem. Local governments must identify their priorities and preferences and engage partners most likely to fulfill those qualifications. To do so, local governments can issue either an RFP, series of RFPs, or an RFQ (see "First Steps," above).



Image source: Urban3



## Possible Approaches for the Government PAW Lead

Determining which person, office, or structure will serve as your jurisdiction’s Government Lead is a critical early-stage decision. The right choice will be a product of various factors unique to each jurisdiction including political considerations, governing laws, and staff and budgetary capacity. Your goal should be to establish a structure that will allocate the most effective and efficient use of time, energy, and resources to this initiative. It is imperative that the Government Lead have clear decision-making authority and responsibilities.

Leadership and staff of the entity that is ultimately chosen to serve as the Government Lead will determine the appropriate governing structure of the PAW initiative. Whatever structure is decided, ensure that appropriate safeguards are enacted to provide transparency, alignment of interests and accountability to successfully implement and scale the PAW initiative.

One goal of the PAW initiative is to create a structure where development activities can be conducted separately from the government’s daily operation with a management team and staff who are exclusively dedicated to the work. Another goal is to accumulate institutional expertise that avoids information asymmetry between public and private partners. A jurisdiction can bridge asymmetries through staff sophistication, supplemented as necessary by external consulting expertise. Below are some commonly used structures to consider for your **Government Lead**. These options are listed in an order of increasing autonomy and specialization, but also increasing complexity to establish. PAW could begin in your community with the simplest form achievable and evolve to achieve greater specialization and autonomy over time as guardrails become clear and staff become more experienced.



Image source: ‘Evanston Thrives’ report by City of Evanston

## Structure Options

### Dedicated Staff

While certainly not ideal for larger jurisdictions or those with large asset portfolios, in jurisdictions where capacity and financial resources are limited, or where the number of parcels in question is relatively small, the Government Lead could be an individual **staff member** or small **team of staff** tasked with implementing this work. This staff should have the ability to work interdepartmentally with a high



Image source: Hannah Busing

degree of delegated authority to create fluent, efficient processes and the ability to innovate as needed within the bounds of the delegated authority. In our experience, larger jurisdictions, with a large number of parcels, attempting to use existing staff and resources will miss opportunities as this work may take lower priority behind more urgent and time-sensitive issues.

The key to PAW's success is to ensure decisions relating to individual assets are made in a timely manner and that these assets proceed toward implementation at a steady pace while the initiative scales. To accomplish this objective, sufficient staff time must be dedicated to the work, with an appropriate degree of deference and delegation so that staff can move the work forward.

As the initiative grows within your jurisdiction, leaders should add additional staff capacity as needed to carry out the work. Additional staff capacity may be funded from incremental revenues created from

the implementation of the PAW initiative itself. Jurisdictions may also consider implementing other more formalized structures described in this document.

Implementing this work can seem daunting and leaders may not know where to start, especially where a jurisdiction has identified real estate assets worth billions of dollars. "Analysis paralysis" is a serious threat to progress early on. A dedicated staff member or small team of staff can efficiently usher a project to completion while also transparently helping both the local government and the broader public understand the value of this work. Therefore, Leaders should identify opportunities for early success while always keeping an eye on opportunities to scale the work more fully.

### Center

Creating a **center** within the executive branch to serve as the Government Lead is similar to dedicating staff, but can give PAW additional focus and attention. The general idea behind creating a center is to create a concentration of personnel, authority, and attention on a particular issue. This creates a "brain trust" with strong momentum for PAW initiatives and a tangible structure that facilitates community engagement and oversight. The number of people, scope of work, and metrics for success are highly customizable by the jurisdiction.

Local leaders can generally create a center with minimal effort. For this reason, the jurisdiction may initially take this approach to launch a PAW initiative and



Image source: Nic Rosenau

secure early success. Ultimately, a center will have inherent limitations on the autonomy and discretion it can assume; this may compromise its ability to scale the work to the size of the jurisdiction's asset port-

folio. As the initiative secures early success, leaders may explore more formal structures with delegated authority and a greater degree of autonomy and independence.

## Enterprise Fund

An **enterprise fund** is a structure that allows the government to segregate revenues and expenditures of a specific service from other governmental activities; enterprise funds for economic development and wastewater maintenance are common examples. Enterprise Funds afford clarity in the functional and fiscal activities that occur within them, and are usually staffed by professionals with highly specialized skills, clear oversight abilities, and reporting responsibilities that allow for efficiency and effectiveness. Furthermore, a model like an enterprise fund can fa-



Image source: Anton Dimitriev

ilitate collaboration across multiple government entities who contribute their assets on mutually agreeable terms to accomplish mutually desired benefits.

The separation of the financial information and dedicated focus from other governmental activities provides better clarity on the revenue and expenses generated, asset valuations, and other financial and investment activities carried out by the entity. Dedication of PAW revenues to objectives such as providing affordable housing, clean energy, or other local priorities can help to foster public support for the initiative.

## Authority

An **authority** is an entity with the ability to exercise executive, legislative, judicial, taxing, regulatory, or administrative functions of the government. An authority operates with autonomy to the degree negotiated and delegated by the enabling jurisdiction. This degree of autonomy can streamline implementation of the PAW initiative and allow the work to scale quickly.



Image source: Trent Erwin

The jurisdiction creating an authority would enact provisions establishing financial and government accountability, transparency, and outcome metrics. The authority's jurisdiction can be circumscribed by a geographical area, such as with a port authority or airport authority, or by subject matter, as with a redevelopment authority. These scenarios allow authorities to operate with a clear, concise mission and vision with oversight by the enabling jurisdiction.

## Community Land Trust

A **community land trust (CLT)** is an entity that promotes increased housing affordability through a property-based approach. While the CLT model itself is time-tested, its structure, process, and best practices are uniquely adaptable for each jurisdiction.

The primary function of a CLT is to manage publicly-held land for the community benefit. Members of the public are generally involved in the creation and ongoing governance of a CLT to determine the benefits derived from the use of land assets it holds. Examples of these benefits include affordable housing, long-term affordability for commercial and retail spaces, public gardens, and conservation properties, among others.

In some CLT iterations, jurisdictions maintain ownership; in others, a collective of community members own it under a 501(c)3 nonprofit or similar entity.



Image source: Mihai Moisa

The CLT focuses on ensuring the community benefit – typically affordability benefit – continues in perpetuity. Improvements to the land, whether housing, commercial, or other communal determination, are subject to price control via deed restrictions or covenant restricted pricing. The benefits and profits accrue to the trust in order to achieve the long term goals set at the inception.

Additionally, a CLTs governing board can adapt its metrics of success to evolving community needs and preferences. CLTs can also work in conjunction with traditional municipal relief programs for rising housing costs, such as vouchers and subsidies, but are set up for longer term sustainability because of their structure.

From inception through the creation and ongoing administration, CLTs require extensive collaborative, oversight, and intensive ongoing stakeholder engagement, which may make them difficult to scale in a jurisdiction that has a sizable real estate portfolio.

### Community Development Entity (CDE)

A community development entity (CDE) is a stand-alone entity distinct from the local government. Because this entity is created by the jurisdiction, however, it can ensure certain control, transparency, and accountability requirements are built into the organization's charter and bylaws.

The jurisdiction can identify publicly-held real estate assets that are desirable for the PAW initiative and can transfer such assets to the CDE, along with any policy or implementation restrictions or direction the jurisdiction deems appropriate. Furthermore, the jurisdiction can place expectations and restrictions on the CDE as to how revenue generated by the CDE under the PAW initiative will be allocated.

Certified by the CDFI Fund in the Department of the U.S Treasury, a CDE acts as an intermediary to provide loans, investments, or financial counseling in Low-Income Communities (LICs). To become and



Image source: Scott Graham

continue to be certified as a CDE, an organization must meet the following requirements:

- Be a legal entity;
- Have a primary mission of serving LICs; and
- Maintain accountability to the residents of the LICs it is serving.

### Community Development Corporation or Other Nonprofit Entity

A **community development corporation (CDC)** is an independent nonprofit organization created to provide services and engage in other activities that promote and support communities. CDCs usually serve a narrowly-defined geographic location such as a neighborhood. Their mission is often focused on lower-income residents and creating opportunities for underserved populations. They engage in a variety of activities including real estate development, particularly focused on affordable housing development, education, and economic development and small business support.

## Entity Considerations

The matrix on the following page may help jurisdictions identify the Government Lead that is most suitable for them.

None of these entities possess immutable characteristics and none are inherently more autonomous, politically neutral, transparent, or efficient than the others. Jurisdictions may choose entities based on any number of reasons, including their level of comfort with one over another, legal considerations, or simply individual preference. This information is provided as a guidance to help you ensure to the highest degree reasonably possible that you have the right structure for making progress, while avoiding potential pitfalls early in the process.

Factors to be considered are ranked either “High,” “Medium,” or “Low,” based on the following factors:

### **1. What level of autonomy does this entity enjoy?**

Ultimately, autonomy is delegated by the jurisdiction to whichever entity is selected and to the degree the jurisdiction deems appropriate. Some entities lend themselves more naturally to greater or lesser independence. That propensity is marked in Table 1 below. As autonomy is delegated and not inherent in these structures, the jurisdiction determines the degree of autonomy and independence that is best suited to its local circumstances. Examples of ways to delegate authority include giving an entity power to handle all transactions under a certain dollar threshold without requiring further approval from the governing body, giving an entity the right to enter into certain negotiations, or charging them with project outcomes that are desired, with little intervention in how those outcomes are achieved.

### **2. How well does this entity benefit from public engagement?**

A successful PAW initiative will seek to solicit public input and maximize the benefits of public engagement. Public engagement will inform any policy restrictions and implementation direction that leaders give to the Government PAW Lead generally and relating to individual real estate assets specifically.

As with autonomy, the jurisdiction should create public engagement procedures and expectations at the onset and continually work to ensure the public is engaged in the PAW initiative.

### **3. Ensuring accountability and transparency from the entity.**

The Government Lead is a steward of the public’s assets and therefore, the public’s trust. As such, it must be held to high standards of accountability and transparency. The transparency standards referred to here are not intended to undermine standard confidentiality practices related to the acquisition and disposition of real estate by public entities. As noted above, as in other contexts where governments acquire private real estate parcels, it is understood that a degree of confidentiality relating to the real estate acquisition process is in the public interest, which is generally understood and reflected in laws and regulations governing public real estate acquisitions. These statutorily authorized real estate confidentiality provisions are intended to avoid situations where the seller demands a value above market value because the counterparty is a government entity.

### **4. What is the potential for the PAW Initiative to increase the pace of projects and to scale?**

This consideration centers heavily on efficiency and autonomy of the entity and the ability of the overall structure to attract private sector partnership and private capital. Other considerations, listed below such as “jurisdiction-specific considerations” can also impact this consideration. Certainly, greater staffing and funding enhance the ability of a PAW initiative to scale and pace projects quickly. The mission of the Government Lead should be focused narrowly on PAW work to achieve these goals.

**Table 1: Entity Considerations**

	Level of Autonomy & Authority	Public Engagement	Transparency/ Accountability	Project Pace/ Scale Management	Legal Considerations
Authority	High	Medium	High	Medium/High	Requires legislative action by the jurisdiction. Verify with legal counsel whether any state or local legal considerations apply.
CDE/CDFI/ Other Non- profit Entity	High	Medium <i>(High with Appropriate Policies &amp; Practices)</i>	Medium <i>(High with Appropriate Safeguards)</i>	High	Requires legislative action by the jurisdiction. Verify with legal counsel whether any state or local legal considerations apply.
Center	Low	High	High	Low	None (informal structure)
Designated Staff	Low	High	High	Low	None (informal structure)
Enterprise Fund	High	Medium	High	Medium	Requires legislative action by the jurisdiction. Verify with legal counsel whether any state or local legal considerations apply.

## Jurisdiction-Specific Considerations

How you answer the following questions may also influence which model described above is most appropriate for the jurisdiction.

- 1. Staff Capacity:** How many staff members will be dedicated exclusively to this project? How heavy is the workload (i.e. are there administrative concerns like back tax properties? Is there coordination required with other levels of government?)
- 2. Existing Organizations:** Are there existing organizations in your community that may feel they are already positioned to play this role? Do they have the adequate capacity, skill set, and sensibility to do so? Would creating another entity be duplicative?
- 3. Financial Resources:** Is there seed money available to begin investments? Any ongoing revenue? One time revenue? What is your local government’s general relationship with and attitude toward local philanthropic organizations or other private-sector sources of funds?
- 4. Community Relations:** Beyond funders, what is the condition of your entire stakeholder ecosystem? Does local government have credibility in the eyes of local developers, banks, and other external partners?

Addressing these considerations will be critical to your ability to establish appropriate expectations and capacity of the PAW initiative so that your goals and outcomes are measurable, effective, and reasonable.

## Governance

Governance and governmental roles within PAW should be clearly outlined upfront to ensure success. A variety of factors will affect these roles and powers, including the form of government in a jurisdiction, political forces, and historic precedent.

*“Some challenges of working with the government are shifting expectations, changing administrations, micromanagement, and the inertia of the elected and the bureaucracy.”*

### Role of the Chief Executive

Depending on your jurisdiction’s form of government, the chief executive may be the mayor, the city manager, the county executive, or even a majority of your local legislative body. As a primary decision maker and leader in policy direction, the chief executive plays both a substantive and symbolic role in your PAW initiative. By proactively offering a vision for how the jurisdiction can leverage its assets, the chief executive will set the direction for the work and drive to achieve successful outcomes. By delegating the right staff and other resources and supporting partnerships with the proper private entities the chief executive essentially facilitates the success of the entire initiative.

The chief executive is responsible for determining the best structure for the **Government Lead**. This may include collaborating with other governmental entities, such as the jurisdiction’s legislative body, or other administrative offices within local government. The chief executive will negotiate issues with other policy-makers such as the level of autonomy and authority that the Government Lead should possess to ensure clear direction and lines of authority.

Finally, the chief executive should be prepared to make the political case for PAW. This will include consistently communicating the economic value of the work and its advantages to a variety of stakeholders including constituents, potential private partners, intergovernmental partners, and members of his or her own administration. Strongly embracing a vision for PAW and translating that into local political priorities will be of paramount importance.



Image source: Chester Alvarez

### Role of the Legislative Body

Your jurisdiction’s legislative body, typically a city council or county commission, may navigate some novel issues and concerns related to PAW. Legislative leaders will need to buy into the strategy and principles of the PAW initiative, including the need to scale and increase speed for implementation. In so doing, legislative leaders will work with the chief executive to determine which entity type will work best for the Government Lead and endow it with appropriate autonomy and authority.

The legislative body has an important role setting boundaries on staff decision-making on matters both general and specific. The jurisdiction should consider policy guardrails to manage risks on the kinds of financial instruments that will be used, and how the public sector will work with private partners. That said, staff must also be afforded an appropriate degree of autonomy. Examples of how to provide autonomy and authority include

allowing transactions under a certain dollar threshold to be exempt from requiring council approval; providing zoning or overlay assistance to projects; and addressing political or messaging challenges.

Furthermore, the legislative body should establish direction relating to specific assets and how staff should proceed related to individual projects. For example, policymakers may direct the preservation and restoration of historic structures or mandate that certain projects include a specific amount of open space or affordable housing.

By creating and agreeing upon explicit terms for the execution of the PAW initiative, elected officials can set their community up for greater success.

## Delegation of Authority

One of the most important decisions local leaders will make is the degree of delegation of authority to the Government Lead. No matter the entity type (i.e., authority, enterprise fund, center, CDE), the efficiency and scalability of PAW in your community will rely on a comprehensive, agreed upon delegation of authority to that entity. Suggestions for the type of authority that can be delegated can be general or specific to a particular asset and may include, but are not limited to the following:

- A. A monetary threshold, under which approval from municipal authority is not required (ex: all transactions up to \$3 million are delegated without requiring legislative approval)
- B. Pre-determining parcels transferred into a real estate portfolio for PAW initiative (ex: a grouping of 5 city-owned parcels are considered one portfolio to be managed in accordance with the pursuit of predetermined outcomes, covered by partners selected from an RFQ (or similar procurement process, as allowed by state law) designed to identify qualified Private Sector Partners)



Image source: Kelly Sikkema

- C. Creating clear and codified metrics for success (ex: PAW initiative will generate 30 units of on-site affordable housing and revenue streams for up to 50 units of affordable housing off site) and standards of transparency and accountability for PAW activities.

The chief executive and legislative body must take an active role early on to determine general guidelines and dictate parcel-specific parameters for the PAW initiative – and then empower and defer to the entities who can implement that direction without ongoing interference. Avoiding ongoing micromangement is critical to the scalability and success of PAW as well as the initiative's ability to attract private capital.



## Possible Approaches for Private Partnerships

Selecting and working with one or more **Private Sector Partners** is an important component of implementing a PAW initiative. These partners provide financial and technical resources and can significantly affect the outcome of a project. Their contributions will improve the initiative's viability and ability to scale while allowing government staff to remain focused on core government functions and areas of expertise.

We also encourage your local leaders to explore partnerships with other government entities, or even other local governments, to unlock assets and create opportunities. There could be cases where the greatest returns on public assets will come from cooperation between multiple public entities who can pool their available assets for greater mutual benefit.



Image source: 'Evanston Thrives' report by City of Evanston

## PAW Partner Entity Options

Here we will highlight a few types of private partners and their potential roles in a PAW initiative. This is not an exhaustive list and different approaches may be required in your jurisdiction depending on a particular asset's location or condition, or your overall goals for the initiative.

No matter your approach, your jurisdiction will want to structure a partnership with a Private Sector Partner where incentives are aligned to maximize the benefit to the public, deliver on mutual expectations, and allow the work to scale to the size of your asset portfolio.

### Real Estate Developers

A PAW initiative will inevitably involve real estate development professionals. The developer can provide technical expertise with respect to market demand and feasibility of particular product types, experience of building and operating similar projects, access to innovative design and construction techniques, and the potential for a higher level of maintenance of the properties once they are built.<sup>1</sup> The professional expertise of the developer, the term and nature of this public-private relationship, and the alignment of incentives between your local government and the developer will ensure the relationship is structured to maximize the benefit to the public and achieve your jurisdiction's goals with the initiative.

One crucial benefit of a PAW initiative is your jurisdiction's ability to create a level playing field that can diversify the pool of developers capable of partnering in this work. Limited access to capital is a significant barrier to entry for young or untested real estate developers, and prevents many from bringing fresh ideas and new approaches to the sector

A jurisdiction that brings a publicly-owned real estate parcel to a transaction is likely to attract interest from an array of development partners - including those in the start-up phase - who recognize this kind of asset as an early, in-kind capital infusion. The contribution of a publicly-owned parcel can de-risk the overall investment, which will make a start-up developer more appealing to forms of private finance that may oth-

erwise be unduly skeptical. If done thoughtfully and deliberately, a PAW initiative is a powerful tool for opening the doors for younger, diverse, and/or otherwise nontraditional development partners.

In structuring your relationship with a real estate development partner, you should be aware of information and expertise asymmetries that may exist between local government and private entities. Typically, these relationships take on a "zero sum" quality in which the private party benefits at the expense of the public sector due to a higher level of sophistication, expertise, and overall information asymmetries that allow them to structure the partnership to their disproportionate benefit.

There are important steps the jurisdiction can take to minimize any potential downside in this arrangement and align the partnership toward a mutually beneficial arrangement. Allowing for longer-term partner-



Image source: Tierra Mallorca

ships rather than one-time deals, establishing clear expectations for project financial transparency, and showing a willingness to share upside benefits and downside risks will make for better and more strongly aligned partnerships with private development partners.

A properly structured relationship with a private developer can maximize the jurisdiction's ability to maintain a timely development schedule, control costs of the project, achieve greater cost certainty and attract additional private capital to the transac-

<sup>1</sup> [uli.org](http://uli.org)

tion. This leads to quicker revenue generation and maximized overall public benefit of the project.<sup>2</sup>

For the developer, a partnership with a PAW initiative provides access to key parcels for development and greater up-front clarity on public sector support for a particular development plan. Consequently, early public-private collaboration relating to publicly-held parcels in a PAW initiative may result in a streamlined entitlement process and development approval for the project. Finally, access to publicly-held real estate assets may equate to an overall lower cost of capital for the project since private partners would gain access to development opportunities and would not need to seek private financing to acquire the real estate underlying such developments.<sup>3</sup>

### Traditional Investors

A PAW initiative will require additional capital investment that may come from private investors. A PAW initiative can leverage public investment of underutilized real estate to attract additional private capital, lowering the financial obligations from local government. Investments often take the form of equity or debt.

In debt financing, investors provide capital to the project and receive interest on the investment at



Image source: m. on unsplash.com

regular intervals. Principal is either paid back at the end of the term of the loan or amortized over the life of the loan. Debt financing provides certainty on the cost of capital for the project. Although the reg-

<sup>2</sup> [naiop.org](http://naiop.org)

<sup>3</sup> [uli.org](http://uli.org)

ular interest payment increases the cash requirement during the life of the loan, it is often considered to be cheaper than equity financing as debt investors do not share any of the upside from an increase in the valuation of the project.

In equity financing, investors become a shareholder and their interests are aligned with other equity holders. Typically, equity investors do not receive interest payments (unless it is structured as a dividend paying preferred stock). While this reduces the cash outflow during the project (i.e., no interest payments are made on equity), equity investors will share in the proceeds of the sale of the project at a future time. Equity participation increases the overall shares in a project or vehicle, lowering the percentage ownership for each equity owner. Typically, equity investors receive a higher rate of return on investment than debt holders; however, they also take more risk. Investors are often willing to accept a lower return for downside risk protection or might be willing to participate in a project if there is sufficient first-loss capital supporting the project.

Local government should explore ways to de-risk the project in exchange for favorable terms from investors. Financial tools that the government can use that are designed to de-risk and leverage private capital are discussed later in the Playbook.

### Impact Investors

Impact investors are similar to traditional investors in that they are seeking a return of their principal and interest on their investment. However, impact investors typically also seek nonfinancial returns for their investment in the form of community benefits or social impact, such as an increase in affordable housing, clean energy homeless services, and so forth. Impact investors often include local philanthropic foundations, high net worth individuals, Fortune 500 companies with an interest in supporting their local communities, and family offices. Some impact investors will be willing to accept returns that are below market rate if the project is achieving their desired outcomes.

Similar to other investments, impact investment can



Image source: Sonder Quest

either be structured as equity or debt. In some cases, impact investors are willing to take a subordinate position to attract other investors to participate. Some examples of the subordinate role include mitigating the risk of other investors through a guarantee, taking a first-loss position, or delaying their returns until other investors have been paid back. Impact investors can also attract investor participation by accepting a lower return. An impact investor who is willing to accept a lower return also increases the returns for a project's other investors, which makes the project more appealing to a wider range of conventional lenders.

An impact investor will look for projects that are aligned with their mission which allows local government to leverage their expertise to improve the

### What is "ESG"?

Environmental, Social, & Governance (ESG) investing is a strategy that focuses on both financial returns and the environmental, social, and governance aspects of investments. It's a key part of socially responsible investing, which aims to produce both positive financial returns and tangible social benefits. The provision of pure public goods through the work of local government makes many of their initiatives excellent ESG investing opportunities.

overall social outcomes of the project. In addition to more capital and technical assistance, impact investors may boost the public profile of a project if they are particularly well known.. This could create more awareness of the PAW initiative generally, leading to more financing options in the future.<sup>4</sup>

## PAW Partner Relationship Options

Structuring the collaboration between the Government Lead and the Private Sector Partner in a way that aligns long-term incentives and maximizes the public benefit can harness the power of both side's strengths in ways that promote mutual benefits.

Local government's ability to assess property, offer zoning and overlay options, and operate with high levels of transparency are among the greatest benefits they can offer. However, the Government Lead must be intentional about disabusing any potential private sector partners of the notion that the public sector is unable to accomplish projects efficiently and on-time. Maintaining a reputation for competency and responsiveness is critical to a local government's success in this arrangement.

Similarly, the Private Sector Partner brings an ability to execute projects efficiently and – if the partnership is structured appropriately – in a way that maximizes the public benefit. Your jurisdiction can take different approaches to structure the public-private partnership as described below.

### Project-Specific Approach

The typical approach for jurisdictions seeking a private partner for the development of a parcel of publicly-owned land is to issue a Request for Proposals (RFP) and weigh responses from various potential partners. These partnerships are highly specific to a particular asset the jurisdiction is putting forward, such as an underutilized building or a surface parking lot. This approach allows jurisdictions to approach each project in a deliberative and precise way. Additionally, RFPs for land development are historically awarded to one partner, creating an exclusive limited partnership.

4 [blogs.worldbank.org](https://blogs.worldbank.org)

The advantage of this approach is its familiarity: staff understand how to execute RFPs; the public relies on them as a standard component of local government land acquisition, disposition, or development; and potential developers and partners will be able to respond to them as a standard course of interaction. This approach also creates an explicit agree-



Image Source: Paymo

ment between parties. Since the scope of the proposal is limited to one project, the terms required by the municipality and agreed upon by the developer are clear and trackable. This resulting collaboration is transparent, well understood, and predictable.

However, there are disadvantages to this approach. The traditional RFP selection process creates a competitive tension between the government and the private partner that is zero sum in nature.<sup>5</sup> The private partner will seek to maximize their upside in the deal, within the bounds tolerated by the public partner, even if that occurs at the public's expense. This win-lose approach to forming public-private partnerships does not always work out to the advantage of the public sector.<sup>6</sup>

Another disadvantage of this approach is that each transaction can become time and labor intensive for the jurisdiction. Each RFP process requires time, staff resources, and deliberation to manage. The time involved in doing so may be a potential deterrent to private partners. The jurisdiction itself might be able

to justify the time and energy required for smaller publicly-owned parcels. Jurisdictions with a large portfolio of publicly-held real estate, the single asset RFP approach is unlikely to ever reach the scale they need.

## Portfolio Management Approach

Jurisdictions can secure a partner or partners with a particular set of qualifications to provide asset management services within agreed upon parameters. Under this approach, the jurisdiction will issue a request for qualifications (RFQ) and weigh the respondents based on their proposed approaches to the management of a jurisdiction's real estate portfolio.

Under this approach, jurisdictions would view publicly-held real estate in the aggregate as an ongoing asset management function, with certain properties designated for the PAW process. This approach differs from the asset-specific approach where the land itself is the primary consideration of the procurement process. Using an RFQ framework, the relationship could encompass several projects, a defined geography, or an open-ended invitation to receive proposals from the qualified asset management partners to put the jurisdiction's assets to work.<sup>7</sup>

This approach shifts the burden of evaluating individ-



Image source: Goodwill Domingues

5 Mullins, R. A. (2013). Corruption in Municipal Procurement: Foreclosing Challenges of Disappointed Bidders—Augusta, Georgia, and the Need for Reform. *Public Contract Law Journal*, 42(2), 281–325. [jstor.org](https://www.jstor.org/stable/4141414)

6 Mironov, M., & Zhuravskaya, E. (2016). Corruption in Procurement and the Political Cycle in Tunneling: Evidence from Financial Transactions Data. *American Economic Journal: Economic Policy*, 8(2), 287–321. [jstor.org](https://www.jstor.org/stable/4371414)

7 Li, P., Tang, L., & Jaggi, B. (2018). Social Capital and the Municipal Bond Market. *Journal of Business Ethics*, 153(2), 479–501. [jstor.org](https://www.jstor.org/stable/4371414)

ual assets for their potential PAW value, performing economic modeling around an asset, and drafting asset-specific proposals from government staff to a qualified private sector asset management partner. The public sector's role becomes to receive and consider asset-specific proposals prepared by their qualified private partners. By shifting the analysis and proposal workload to private partners, with final approval of any proposal resting with the public sector, the pace and scale of this work can swiftly accelerate to match the size of a jurisdiction's public asset portfolio.

This approach can also be useful in aligning government and private sector incentives.<sup>8</sup> By creating a long term, ongoing relationship, the cost-benefit analysis for all interested parties is considered over the entirety of the interaction, not limited to one project where zero sum calculations prevail. Instead, the preservation of the relationship and possibility for long term profitable engagement is centered in this framework. Still, the jurisdiction should require an appropriate level of transparency and accountability to govern the relationship.

Notably, the RFQ approach is not a novel approach to local government procurement. RFQs are commonly used for selecting outside legal counsel or municipal bond underwriters who provide ongoing services for a defined period of years. For example, rather than devising a complex bond structure and then writing and issuing a standalone RFP every time the jurisdictions wants to issue a municipal bond, which would be extremely unwieldy, the jurisdiction selects a qualified partner who are ready to engage any time the jurisdiction - their client - determines that a bond issue is needed. Each bond issuance is an eligible assignment for bond underwriters qualified by the RFQ, who can advise on current market trends, developments, and strategies in the municipal bond market.

### Third-Party Intermediary Approach

A significant challenge for many PAW jurisdictions is that following the assessment of the assets limited staff capacity and expertise is available to drive the process forward. Specifically, most jurisdictions lack

the know-how and resources to:

- Evaluate project options
- Assess market interest and preferences
- Identify capital sources
- Run RFP processes
- Coordinate larger scale development projects

Staff and elected leaders are often rightly focused on their core functions and immediate priorities. Complex, long-term initiatives like PAW, regardless of their potential economic upside, often get placed on the back burner.



Image source: Matthew Cabret

Jurisdictions that have successfully developed PAW-initiated projects started with a significant appropriation of public funding to underwrite the costs of hiring new staff, contractors, and other experts. For example, the City of Cleveland appropriated \$50

<sup>8</sup> Steinfeld, Jenn, Berkaw, Phil, and Rice Corianne. (2020). Inclusive Procurement and Contracting: Policies, Programs, and Practices for Local Leaders. Municipal Action Guide: National League of Cities Center for City Solutions. [nlc.org](https://www.nlc.org)

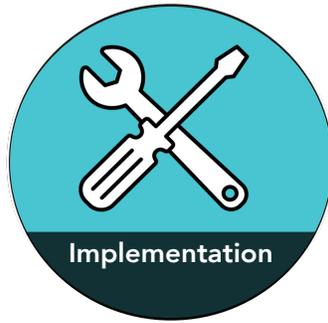
million to launch their Site Readiness for Good Jobs Fund. The City of Atlanta appropriated \$4 million to launch the Atlanta Urban Development Corporation and authorized additional bonding of \$100 million to support the mayor's affordable housing initiative leveraging the city's underutilized public assets.

For most jurisdictions, providing public seed funding at this level is not a feasible option. Fortunately, there are other approaches that are equally likely to succeed. We are intrigued by approaches being explored by other PAW jurisdictions in which an external third-party entity is empowered to serve as an intermediary on the jurisdiction's behalf. This approach ensures that best practices are put in place so that the best projects move forward in a timely manner.

This third-party intermediary can evaluate project opportunities, in consultation and with the approval

of the jurisdiction, draft project RFP language with guidance from the jurisdiction, run the RFP process on behalf of the jurisdiction (involving the jurisdiction in the process to appropriate degree to ensure transparency and accountability), negotiate with investors and solicit capital, negotiate a development agreement, and ultimately supervise the project execution.

This structure can operate and grow with minimal investment from the jurisdiction by assessing project participation fees from the private parties. These kinds of fees are already common in purely private sector transactions. In this way, jurisdictions can select priority initiatives and revenue targets without having to invest in the teams and years of infrastructure.



## Asset Disposition Options

There are also various options the jurisdiction can consider to achieve its priorities in a PAW project, such as land sale, long-term land lease, and shared equity. All of these options are worthy of consideration for publicly-owned real estate, depending on the circumstances of the opportunity. One particular benefit of all these approaches is that returning government-owned parcels to private use will generate potential new tax revenues in addition to any one-time or ongoing benefits relating to the specific transaction.



Image source: Google Maps

## Land Sale Example in Evanston



Evanston City Council authorized the land sale of the parking lot at 504 South Boulevard in January of 2024. Construction of a 100% affordable housing development will break ground on the site in late spring 2024. South Boulevard Shores will contain 60 new units.

*Image source: Google Maps*

## Land Sale

Jurisdictions who identify publicly-held real estate parcels may sell these parcels in private market transactions. While a land sale is certainly the cleanest and simplest approach to derive value from a jurisdiction's holdings, the jurisdiction will lose opportunities for long-term value and revenue creation (outside of property tax revenue). Unless specific circumstances justify a land sale, we do not recommend liquidating assets because proceeds from these sales are often used to meet immediate needs with limited, one-time revenues. Instead, we advocate for an approach in which assets acquired over decades can create sustainable, ongoing revenues that benefit the public far into the future.

## Retained Ownership Models

### Long-Term Land Lease

In many instances where a jurisdiction is looking to retain ownership of an asset, their default development scenario will be residential or commercial land lease. Under this approach, the jurisdiction negotiates to lease land to a private partner for an extended period of years. Land leases provide a flat rate, with lease escalation provisions triggered by certain favorable conditions as well as protections against default if the project is not successful. While land leases provide stable predictable revenue, the limit the potential for the jurisdiction to benefit from the appreciation in value of the asset.

### Joint Venture (Fractional Ownership)

For real estate assets with a low present value in a neighborhood where real estate values are expected to appreciate in the future, or neighborhoods where the jurisdiction intends to focus efforts and investments to improve community conditions and thereby improve the overall value of real estate in the community, a local government should strongly consider options where it maintains a percentage equity share of the future development so that it may fully benefit from value appreciation.

A land lease arrangement forces the private developer to assume the risk of the pace of neighborhood improvements. This is often difficult to finance and leaves the jurisdiction - and its residents - out of upside benefits that may arrive in later years as the neighborhood improves. Whenever a land lease option is being considered, a jurisdiction should also consider a model that preserves their percentage ownership in the contemplated development.

In the case of a joint venture, a jurisdiction may want to require performance guarantees that ensure a development partner is moving forward with the proposed partnership in a timely manner and in accordance with local expectations - otherwise, local government should retain the right to cancel the joint venture agreement.

# PAW FINANCIAL TOOLS

The process of implementing and scaling a PAW initiative is incremental. A jurisdiction may take several months to assess the portfolio of property it owns and determine the value of this portfolio; additional time may be required to formulate a structure and secure private sector involvement. Even after a public-private partnership is formed and a PAW project is initiated, it can be two to three years before the respective asset begins to produce an actual revenue stream. For local leaders who are looking to utilize revenue from a PAW initiative as soon as possible, some specific financial tools are available. Employing these tools will allow investments to begin immediately, based on the likelihood of future PAW revenue streams.

## What is a capital stack?

A capital stack in real estate development is the structure of various funding sources, each with distinct terms, rates, and risk levels, used to finance a project. It's organized hierarchically based on seniority and risk, dictating the repayment order and risk assumed by each investor.

## Bonding

### Revenue Bonds

**Revenue bonds** are common in municipal finance. A municipal revenue bond is issued to fund specific projects and the repayment of principal and interest is supported by the revenue from the project. Similarly, jurisdictions may have the option to issue other types of municipal bonds where the debt service on those bonds is backed by the revenue from a PAW project or initiative.

Realistically, revenue streams from PAW activities will be viewed by bond markets with greater uncertainty than revenues from traditional government activities. Bond markets may expect issuers to back PAW bonds by a general obligation of the issuing jurisdiction. In instances where a PAW bond is not backed by the full faith and credit of the jurisdiction, an inability to service the debt on a PAW bond due to inadequate revenues could negatively impact the creditworthiness of the jurisdiction. The jurisdiction's governing body should set clear policy limits around the use of PAW-related bonds and be prepared to assume any related debt as a general obligation of the jurisdiction.

### Environmental, Social, & Governance (ESG) Investments

Green bonds and social bonds are types of municipal bonds issued to invest in environmental sustainability or climate benefits, or social projects and activities intended to create positive social outcomes such as health, education, or affordable housing initiatives. These projects and outcomes fall broadly under a category of financial performance criteria known as **environmental, social and governance (ESG)**.

Sustainable bonds are essentially revenue bonds where the intended use is linked to desirable social or environmental community investments. Sustainable bonds are increasingly desirable to a class of investors seeking ESG investment opportunities.

In November 2022, the City of Atlanta raised \$369 million in general obligation bonds designated as "social bonds" under the banner of "Moving Atlanta Forward" to finance recreation, transportation, public safety, and other capital projects with social benefits in priority locations where the city determined they need to take climate actions. The bonds were popular with ESG investors, drawing orders of more than \$1.2 billion from 54 institutional investors. The strong demand enabled bond yields to be reduced by two to five basis points, depending on maturity, cutting the city's interest payments and saving taxpayers millions of dollars.

## Community Reinvestment Act (CRA) Lenders

The **Community Reinvestment Act (CRA)** was enacted in 1977 to encourage financial institutions to provide credit solutions to underserved segments of their communities, specifically low- and moderate-income neighborhoods and individuals. This can be another potential source of capital if the target population for the PAW initiative falls under these categories.

To meet the CRA requirement, a bank must have one of the following as their primary activities:

- Affordable housing
- Community services targeted to low- and moderate-income individuals
- Activities that promote economic development
- Activities that revitalize or stabilize LMI geographies<sup>1</sup>



Image source: Curtis Adams

The amount of CRA lending has increased steadily over the years and has reached \$468 billion as of 2020.<sup>2</sup> A large part of the growth can be attributed to affordable multifamily property lending.<sup>3</sup> CRA lending is potentially a source of catalytic capital to support PAW projects with community impact objectives.

## Using Catalytic Capital

The revenue or other public contribution (e.g., land) from a PAW initiative can also be used as “**catalytic capital**” to attract and leverage private capital to magnify impact. Catalytic capital is defined as patient, flexible, and risk tolerant financing. Typically, it is used to attract additional conventional financing to multiply the amount of total capital that can be deployed. Catalytic capital usually accepts a disproportionate amount of risk, thereby protecting conventional capital that is less risk tolerant, from a proportion of losses from a project or investment. In this way, catalytic capital “de-risks” conventional private capital and can make projects or transactions more attractive investment opportunities that they might otherwise be.

1 [fdic.gov](https://www.fdic.gov)

2 [ffiec.gov](https://www.ffiec.gov)

3 [urban.org](https://www.urban.org)

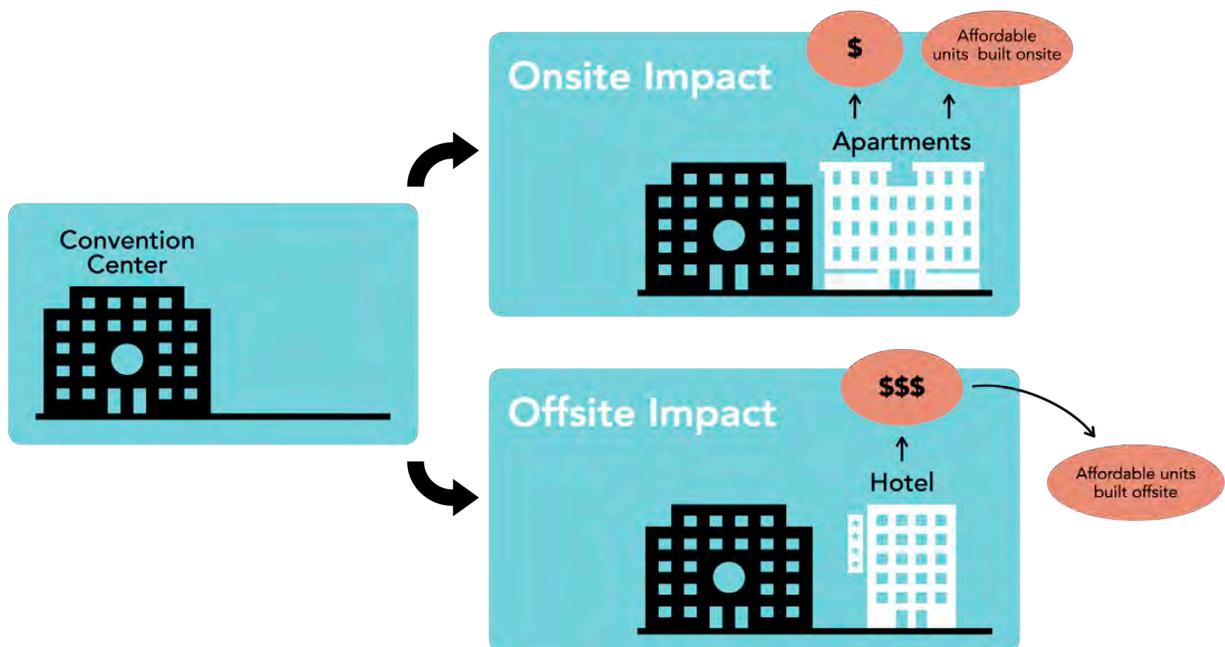
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# FINANCIAL CONSIDERATIONS

## Onsite and Offsite Impact

Part of the consideration when designing the PAW initiative is to decide whether the social, environmental, and community impact involved should be generated **onsite** or **offsite**. As discussed earlier, in an onsite scenario, the associated impact is directly tied to the development of the real estate asset, whereas in an offsite scenario, revenue generated by the asset is channeled to another program or initiative that is not necessarily directly linked to the development of the asset.

There are advantages to both options depending on the assets involved and your public's specific local priorities. Below is a list of advantages for each option; this is not an exhaustive list, as local circumstances may vary.



### Onsite Impact

Onsite impact creates the opportunity to combine social, environmental, and community outcomes with the development and economic outcome of the project within a specific geographic area. Integrating these outcomes creates positive potential synergies for the PAW initiative.

For instance, if the desired social impact is additional affordable or workforce housing, the PAW initiative may focus on developing these types of housing development from the real estate assets transferred into the PAW initiative. In this case, the development would increase the supply of affordable or workforce housing thereby also achieving the desired impact. The project might also create a future revenue stream for the jurisdiction, which could further support community benefit priorities considered a priority by the jurisdiction.

In addition to operational efficiency, achieving the impact onsite will make the positive outcomes more obvious

to the public, as they will be clearly and directly connected to the project. This creates favorable public goodwill associated with the PAW initiative - which makes subsequent, more complex projects easier to complete.

## Offsite Impact

An example of offsite impact might be developing a mixed use shopping/office development near a transit hub and allocating revenues from leases and property taxes to developing affordable housing at a different location, or allocating these revenues to climate mitigation work that spans your entire community..

A major benefit of the offsite impact approach is the flexibility of managing the potential revenues and the desired social or environmental outcomes separately. In this way, revenue might be commercially maximized and the revenue generated from the assets can be channeled to different projects that align with local needs, which may change over time. It also creates a clearer line of separation between the asset and the impact initiative, allowing for greater flexibility in meeting needs across geography and time.

Another benefit of offsite impact is the creation of revenue to fund investments that may have low financial returns but which have high social value. A project with high commercial value and revenue potential could fund low interest loans to childcare providers in areas of town where few childcare options exist. This arrangement increases both affordability and access to high quality childcare by using revenues generated elsewhere to subsidize borrowing costs for childcare providers. Similarly, revenue from a PAW initiative commercial development could be used to fund wrap-around services to improve social determinants of health in another high need area of your community.

Certainly, a PAW initiative can develop a portfolio of real estate assets that has both onsite and offsite impact. Acknowledging the value and benefits of each, depending on specific commercial and social circumstances, will allow a jurisdiction to maximize both economic value and social and environmental impact.

## Asset Classifications

Before designating real estate assets in a Putting Assets to Work framework, it is helpful to recognize various classifications of publicly-held real estate assets. We've termed these classifications **Legacy Assets**, **Policy Assets**, **Yield Assets**, and **Hybrid Assets**<sup>1</sup>.

It is also worth noting that once local leaders determine their legacy, policy, yield or hybrid priorities for publicly-owned real estate assets, there are also various property ownership options the government entity can consider to achieve its priorities, such as shared equity, land lease, and land sale. We discuss several considerations of these ownership models below.

Putting assets to work is about extracting more value from unused and underutilized real es-



Image source: David Martin

<sup>1</sup> Image source for examples in this section: Google Earth and Google Maps

tate. "Value" might mean new revenue, but not necessarily. Sometimes the value a community is looking to create comes in the form of preserving open spaces, new affordable housing units, clean energy, climate resiliency or new libraries and other public facilities. Jurisdictions that have done asset mapping find that asset yield opportunities abound on vacant land and through hybrid uses of legacy and policy assets.

## Legacy Assets

Legacy assets are meant to be preserved in a legacy state or for a legacy purpose. These could include watershed lands or other parcels that are subject to conservation easements, historic structures such as local museums owned by local government,<sup>2</sup> or any other asset for which the present or future uses disqualify them from Putting Assets to Work consideration.

### Legacy Asset Examples



Civic Center



Public Library



Museum

## Policy Assets

Certain publicly-owned assets may be best used to accomplish a specific local policy objective. These may include properties like your City Hall, police precincts, schools, or libraries. Policy assets are not necessarily desirable for Putting Assets to Work considerations.

### Policy Asset Examples



Childcare Center



Fire Station



Parks

<sup>2</sup> Photo of Frances Willard House Museum by David Herszenon

## Yield Assets

Other assets may have no overriding legacy or policy objectives and may be considered purely for the monetary value they can yield. Examples may be pieces of right-of-way or surface parking lots in submarkets where demand is high and land scarce. Your jurisdiction may utilize various approaches detailed elsewhere in this playbook to generate a public asset yield from these kinds of assets. This work is discussed below under Putting Assets to Work Implementation Models.

### Yield Asset Examples



Parking Lot



Office Building



Vacant Parcel

## Hybrid Assets

Certain assets may accomplish multiple objectives. One example of a hybrid asset would be a new library with several stories of mixed-income housing above it. This type of project serves several policy objectives, namely providing a library and community gathering space, as well as access to new affordable housing units. The project could simultaneously serve yield objectives through the inclusion of onsite retail and market-rate housing. Revenues may support other local priorities and policy objectives, both onsite and offsite.

### Hybrid Asset Example in Salt Lake City, Utah



Image source: Urban3, Google Earth

When Salt Lake County built a new office building for county prosecutors, they were clear in the goal to both achieve the public needs and leave space to also derive revenue. The public needs were designed in a way to maximize access to public transportation, achieve the public need, and preserve adequate space on the parcel for an adjacent private market-rate development. The county has entered into a long-term land lease for \$500,000 per year to a private developer who will build a market-rate development, bringing the parcel onto the tax rolls.

# RECOMMENDATIONS

The economic development and community redevelopment challenges facing Evanston and other historic communities proximate to large metro areas are larger than any one person or entity. New approaches and new partners are needed to move the needle on the housing affordability challenges facing residents.

The City of Evanston is leading the way showing other local governments around the country the power that can be tapped from putting public assets to work. The city has identified numerous underutilized assets that can support the city's priorities and unlock new tools and new opportunities that can make a difference.

The next step is to put these assets to work while continuing to build support across government entities, with staff and elected officials and from the community. Demonstrating early success and tangible outcomes from putting some assets to work will help to build support for streamlining policies and additional initiatives to scale this work and further leverage public land to deliver realized solutions at scale. Success with these efforts can deliver meaningful and measurable results and generate new revenue opportunities to support the highest priorities of the residents of the City of Evanston.

## Defining the Objective

The challenges facing the City of Evanston are coupled with unique opportunities and strengths. The challenges are both unique and held by other cities across the country. The population of the community has remained consistent. In the 1950 census the population was about 74,000 and in 2020 that number was 78,000. The geographic footprint of the city has remained the same since 1892. The change in revenue and land utilization relative to the city's assets are part of a fixed space and population, so change will truly have to be realized from within.

The challenges for Evanston are consistent with other aging cities. There is a challenge to afford themselves. Aging infrastructure and evolving needs leaves a unique problem set for Evanston. The inputs to work with in the solution of these challenges are strong. There is stable and strong housing stock. The downtown is strong and walkable. Northwestern University, as a holder of large parcels of valuable tax exempt land, represents a revenue challenge for the City, but also brings opportunity and benefits



Image source: 'Evanston Thrives' report by City of Evanston

to the City as a solid institutional partner with shared investment and interests in the growth and viability of the City of Evanston. Expansion of the existing relationship and current conversations with the University offer op-

portunities to find mutually beneficial uses of the connective tissue properties the City and campus share. There may also be opportunities to engage in putting some university controlled properties into use that could solve problems or generate additional tax revenues for the City.

Like many cities, the City of Evanston has accrued a backlog of capital maintenance needs across municipal facilities and with city-owned parks and open spaces. Addressing these deferred capital maintenance obligations is a priority for the city. We believe part of the solution can come from efforts to reexamine existing needs and uses and right-sizing the use of municipal offices, facilities and even existing parks and open spaces.

## Building from Strength

The City of Evanston has already engaged in a robust planning and visioning process around the use of its existing municipal assets. The City has created a vision for economic vitality and vibrancy through the Evanston Thrives District Action Plan. These examples of early and thorough ground work is an important component



Evanston, Illinois  
Image source: City of Evanston

of planning and should be capitalized up as the PAW planning work is moving into an implementation phase.

There are multiple opportunities and avenues for next steps that the city is already pursuing that have a likelihood of success. Any of these pathways could be a viable next step, but we observed a couple of immediate needs and potential wins that would seem best suited for next step implementation.

Evanston holds a number of interesting and valuable properties currently used for city services that are prime candidates for the enhanced realization of public

good through better utilization or monetization. The City also holds a number of surface level parking lots proximate to other public properties that can be rethought or incorporated into the rethinking of other structures.

The City of Evanston has identified a number of issues that they are trying to solve in the course of implementing the recommendations of this Putting Assets to Work analysis.

1. There is a backlog of capital maintenance needs in multiple current municipal facilities including the city's municipal offices (aka The Lorraine H. Morton Civic Center), the police and fire headquarters, and fleet facilities.
2. The current footprint of parks and open parkland is expensive and requires extensive resources.
3. There are publicly held assets that need to be returned to commerce as they are either underutilized or underperforming in their current use.
4. There is a need to develop more housing for moderate and lower income residents.

5. Opportunity to reevaluate how the City of Evanston adapts to meet evolving trends in remote work affecting existing commercial office and residential needs and municipal workforce needs, and the ways in which the public seeks services from city government.

The City of Evanston leaders recognize there are tens of millions of dollars of deferred maintenance and investment in the city's municipal offices, the public safety headquarters, fleet facilities, and multiple parks and recreation facilities. At the forefront of Putting Assets to Work priorities for Evanston is the need to rethink multiple current public facilities.

The first step is creating a capital facilities and government services masterplan to comprehensively understand current and projected office and other space needs in order to right size public facilities. This could provide a better scoping of what the current needs are and a true sense of the cumulative capital deficit in the public structures. A comprehensive study could identify not only the work that needs to be done, but also formulate a plan to convert the current class of facilities into the next generation of facilities for the city.

## City of Evanston Municipal Offices



Ingraham Park  
Image source: Google Earth

The City of Evanston's municipal offices offer a fantastic opportunity to show what is possible in the conversion of an existing asset into two success stories. This building has struggled as a City Hall with wasted corridor spaces, oversized offices, and inefficient HVAC, plumbing, and electrical systems and does not meet ADA standards.

The current facility has significantly more square footage than is needed and has significant deferred capital maintenance

needs. By moving city staff out of the existing facility into office space that is more proximate to downtown and transit, the city is helping to backfill unused private commercial office space and support an active downtown economy as downtowns across the country are impacted by remote work and continue to struggle. Additional benefits justifying this move include:

- Proximity to rail and transit will better support workforce access and hiring needs in addition to providing accessibility to those with limited mobility or who are public transit dependent.
- Reducing automobile dependency of the city workforce and reducing parking costs.
- Opportunities to enhance urban spaces in the downtown through public art and public events centered around the new location.

Furthermore, freeing up the existing city offices for other uses avoids costly investments to upgrade the existing space and avoids expensive ongoing operations and maintenance costs for an oversized facility.

Rethinking of the space as a private use will provide an opportunity to realize an enhanced revenue opportunity in addition to the solution of a public challenge like housing or a similar issue and even provide an opportunity for the city to generate a passive revenue stream. There are multiple potential partners to look at the redeploy-

ment of the civic center municipal offices while also preserving a portion of the parcel as public open space. The land around the property, especially on the street facing land, is mirroring high net worth housing in a desirable neighborhood. Ingraham Park is an amenity that adds value for whatever is developed adjacent to it.

There are any number of opportunities for the city to realize income and potentially a long term regular income opportunity to help pay for other needs and pure public goods. The Putting Assets to Work team believes this is one of the most promising, attractive, impactful, and revenue ready properties in the Evanston real estate portfolio.

## Underused Open Spaces

The City of Evanston has an abundance of open spaces. We encourage city leaders to examine more closely the trade off between quantity and quality and the equitable access of residents as it relates to open spaces.

We recommend the city examine its open space portfolio to identify parcels that are underutilized by residents or in areas where there is already an abundance of open space properties and use these parcels to create revenue opportunities in order to support additional financial investment to enhance the quality of other open spaces.



Arrington Lagoon picnic shelter  
Image source: Google Earth

Examples might include evaluation of park facility buildings revenue generating potential such as the Arrington Lagoon Picnic Shelter, James Park Concession Stand, or Dempster Street Boathouse. Small underutilized tot-lots may better serve as affordable housing sites.

## Government Lead

Multiple city departments and agencies have responsibility for government assets and maintaining or constructing additional facilities for government services. We recommend Evanston designate a key staff member



Image source: cpahousing.org

or a government adjacent private entity with authority to streamline collaboration and resources across different departments, community nonprofits and nongovernmental agencies, philanthropic efforts and private partners. This individual staff member or entity can help to manage processes, maintain projects within the boundaries set by staff and elected leaders and assert solution-oriented collaboration across functions to ensure a more cohesive strategy that maximizes the community benefits and minimizes costs.

Community Partners for Affordable Housing, a Community Land Trust (CLT) serving the residents of Evanston, is a key partner who can support some aspects of the housing development work and provide affordable home ownership opportunities for residents. Similarly, Evanston's Economic Development Department has other tools that can support PAW implementation. While these entities are

good partners to help implement some of the priorities Evanston has identified, they do not have all of the tools needed for a robust PAW implementation strategy.

We recommend identifying two to three projects or assets that the city is prepared to move forward with in the next six to nine months and assemble a task force to begin the work to determine the city priorities and opportunities.

In addition to the internal streamlining recommendations above, we also recommend Evanston explore third-party partners who can support implementation work and manage the process for forging public-private engagement. Third-party support activities could include:

- Evaluate project options
- Assess market interest and preferences
- Identify capital sources
- Run the RFP or RFQ processes
- Coordinate larger scale development projects

Staff and elected leaders are often rightly focused on their core functions and immediate priorities. Complex, long-term initiatives like PAW, regardless of their potential economic upside, often get placed on the back burner.

Enabling an external third-party entity to serve as an intermediary on the jurisdiction's behalf could add to Evanston's capacity to move forward with priorities in a timely manner and facilitate objective analysis and consensus building across departments and functions.

This third-party intermediary can evaluate project opportunities, in consultation and with the approval of the jurisdiction, draft project RFP language with guidance from the jurisdiction, run the RFP process on behalf of the jurisdiction (involving the jurisdiction in the process to appropriate degree to ensure transparency and accountability), negotiate with investors and solicit capital, negotiate a development agreement, and ultimately supervise the project execution.

## Private Sector Partner Recommendation

Selecting and working with one or more Private Sector Partners is an important component of implementing a PAW initiative. These partners provide financial and technical resources and can significantly affect the outcome of a project and the city's ability to scale the initiative across the broader public asset portfolio. Their contributions are distinctly different from the focus of the Government Lead.

Whereas the Government Lead will interact primarily with public entities and focus on shepherding identified assets through the public engagement and approval process, the Private Sector Partner will lead on traditionally private sector functions like negotiating with private investors and lenders, managing the development process and overseeing the ongoing operations of facilities. The Private Sector Partner identifies potential projects from the portfolio of public assets, creates financial models for public asset opportunities, negotiates with the Government Lead to secure the right to lead the development of a public asset opportunity, and then moves



Image source: 'Evanston Thrives' report by City of Evanston

the project forward by securing private capital and overseeing the construction, operation and management of assets.

Initially, we recommend the jurisdiction identify a key asset or finite set of assets and select private partners who can put the assets to work. Showing community and market interest and the potential to deliver additional affordable housing units through onsite or offsite approaches will gain additional support and build momentum for continuing implementation of a broader PAW initiative.



Image source: 'Evanston Thrives' report by City of Evanston

We believe the jurisdiction can achieve greater return and a better ability to scale the initiative by establishing a long-term relationship with selected partners through an RFQ process that qualifies selected partners to explore opportunities over a broader public asset portfolio. Such an approach could reduce bottlenecks and tap into private sector creativity and expertise by allowing qualified partners to evaluate opportunities independently and make unsolicited proposals for the Government PAW Lead to evaluate, consult with the city and other public entities and negotiate a partnership relating to such proposals.

We believe that such an approach can better assign traditional public sector responsibilities to public entities and traditional private sector responsibilities to private entities and create a more collaborative relationship between public and private parties rather than the traditional zero-sum competitive approach that can be established by an RFP approach.

Specifically, the Government Lead and government staff can

focus on evaluating broadly whether various public assets meet the jurisdiction's criteria for inclusion in a PAW portfolio and seeking approval from legislative and executive officials to transfer assets to the PAW portfolio along with their desired policy direction for the asset. Private partner staff can focus on evaluating desirable market conditions, project construction and management considerations, minimizing overhead costs related to construction and operation of the asset and maximizing returns to all stakeholders, including returns on investments from the public asset portfolio.

## Recommendations to Attract Private Capital

A key goal of a PAW initiative is to leverage and multiply the impact of public assets by attracting private capital to support the jurisdiction's community impact goals. The timing of forming private capital partnerships will vary from jurisdiction-to-jurisdiction based on the status complexity of various investment opportunities.

Evanston seems well positioned to attract private capital and investment from greater Chicago area foundations and investors. After the elements of Evanston's PAW initiative are developed and key opportunities are defined, we recommend Evanston host an investor charrette to highlight the new structure and opportunities. If Evanston has selected a third-party intermediary to support PAW efforts, this third-party can take the lead to organize this event and attract interested parties.

To the extent Evanston is willing to provide publicly-held land and a commitment of public dollars to attract private investment in the development of a real estate asset(s) according to the city's objectives, the city can create an investment ecosystem that is attractive in spite of larger economic uncertainty and high interest rates by structuring public participation in ways that minimize risk and maximize public and private returns.



Chicago  
Image source: Brad Knight

## Take Action

Because so much of the work to sustain this initiative will feel "new," another temptation to avoid is analysis paralysis.

As this work progresses, it is important to focus on institution-building and establishing guardrails that will support this work. Good data collection, evaluation, and assessment will be integral to piloting and optimizing this work. Establishing transparent and achievable metrics will be important. Reporting out to the elected leaders and the public in accordance with the highest standards of transparency and accountability is a priority. However, avoid the impulse to conduct numerous cumbersome studies or have redundant commissions.

The concept is relatively simple, and the elements are tried and true. Essentially, you're entering into a real estate transaction with a private partner. Because you own the real property (unimproved or improved land, as applicable), you're in a good starting place to negotiate good terms and ensure risks are assigned to the parties best able to mitigate them.

Over time, you'll refine the model to an approach that works best for your circumstances. The most significant and costliest risk jurisdictions will encounter in this work is one they are already experiencing - the opportunity cost of precious public real estate sitting vacant or underused for years incurring incidental costs without generating important benefits to the community.

You are the expert on your residents, geography, and needs. Take action to put your assets to work using structures that meet your needs while adhering to basic protections for transparency and accountability. There will be time for optimization and growth as the process continues. Do not succumb to the trap of analysis paralysis that could potentially complicate the issues needlessly while opportunities are lost.

## Conclusion

One of the first questions we hear about this work is “How long before we start seeing the benefits?” The answer to that question will vary depending on the approach you take to the assets you’re putting to work. If you sell a parcel of land, you can have cash almost immediately. In most cases, we think there’s a better approach than liquidating your assets so you have money to spend today. Your asset portfolio was slowly accumulated over a century of taxpayer investment and you have a unique opportunity to create ongoing revenue that will support your community for decades to come.

As you incrementally put individual assets to work, you can likely expect to receive revenue, along with other desired community benefits, from those assets within a few years. That revenue will continue to grow as you put more and more assets to work. Ideally, as you start to see successful returns from your assets, you’ll invest

a small portion of your success in growing your public asset management capacity and staff expertise so you’ll be able to accelerate the pace and scale at which you put more assets to work.

With your success in the short-term enabling you to invest in the highest priorities of your community, we hope you will also gain a greater level of trust and political and community support to scale this work. Over the long-term, the potential to generate substantial revenue to support important public priorities and even reduce the tax burden on your residents is real.

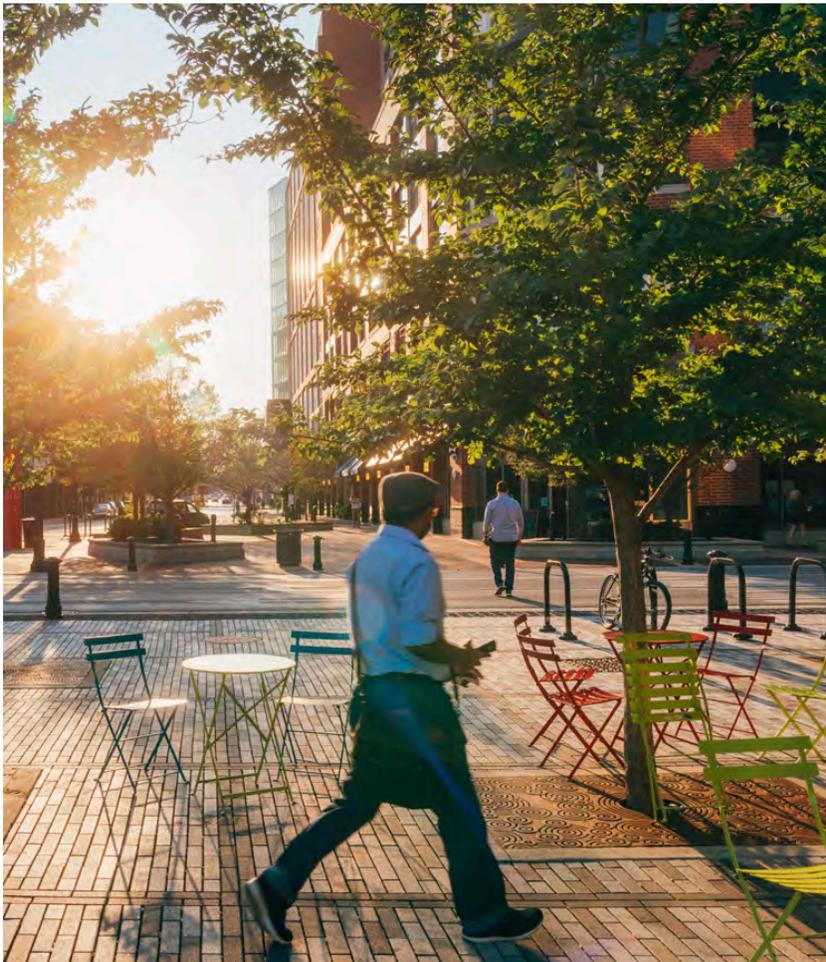


Image source: ‘Evanston Thrives’ report by City of Evanston

# ABOUT THE AUTHORS



Common Ground Institute advises state and local government leaders, community groups, and mission-driven investors and developers on putting publicly-owned real estate to work to create affordable housing solutions and other community benefits. Common Ground Institute CEO Ben McAdams brings 15 years of public service as a Member of the United States Congress, Mayor of Salt Lake County, Utah State Senator, and advisor to the Mayor of Salt Lake City.



The Government Finance Officers Association (GFOA), founded in 1906, represents public finance officials throughout the United States and Canada. The association's more than 24,000 members are federal, state/provincial, and local finance officials deeply involved in planning, financing, and implementing thousands of governmental operations in each of their jurisdictions. GFOA's commitment to our members is to build thriving communities and provide them with the research and resources to fulfill its mission: to advance excellence in public finance.



Urban3 is a consulting firm specializing in land value economics, property tax analysis, and community design. Our approach bridges the gap between economic analysis, public policy, and urban design. Our work will empower your community with the ability to promote development patterns that both secure its fiscal condition and create a strong sense of place.

We provide communities with an in-depth understanding of their financial health and built environment by measuring data and visualizing the results.

<b>Authors</b>	Kerry Hayes Ben McAdams Dr. Kyle Wedberg
<b>Graphics Specialist</b>	Brooke Robinson
<p><i>All maps were created with ESRI software, and all data used in this analysis and report (unless otherwise noted) was provided by The City of Evanston, Illinois.</i></p>	

# ATTACHMENT A: IMPLEMENTATION PLAN

## Endorsement of the Evanston Implementation Plan

The Putting Assets to Work consultant team acknowledges the work city staff put into this effort. Their participation in the incubator cohort and their recommendations below reflect both an understanding of the PAW principles and further action to help lead Evanston into the future. We endorse this plan and encourage the City Council and Leadership efforts in applying the PAW principles to the next steps and assets identified and summarized by city staff in the staff summary below.

Our advice to the Evanston Team is don't wait. Take action. Do not let perfection be the enemy of progress. Find the most efficient and logical way to put this work into action and evaluate the outcomes when you're done. Adapt and keep moving. Starting something new is a challenging part for local government. Begin with the opportunities you see in front of you and evolve your work to respond to capacity, needs, and preferences as you grow.



Image source: City of Evanston

## Putting Assets to Work Implementation Plan

The Putting Assets to Work (PAW) Guide for Making Strategic Investments in Evanston's Priorities and Possibilities is a detailed playbook for the City of Evanston to accelerate the efforts already underway to generate ongoing revenues to help deliver the highest quality public services Evanston community members deserve. Evanston's PAW playbook is a big thinking and detailed strategy incorporating the PAW principles of identifying Evanston's public assets and how to leverage them to fund the city's priorities. Evanston community members, their elected representatives, and the staff working on their behalf know the community best. It is up to Evanston to apply the PAW principles to improve the utilization of the assets or how to monetize them for revenues to support the public good.

## Evanston Implementation Plan

The PAW Implementation Plan and asset opportunities are informed by successes already experienced in Evanston (e.g., 100 Chicago Ave and South Boulevard parking lots) or processes with sense of urgency as they are already underway (e.g., Civic/Police/Fire). How we prioritize them is dependent

upon community engagement and City Council direction. Site specific recommendations will require market analysis, engagement/planning, RFP, partner collaboration, and ultimately redevelopment/repurposing - all led by a staff member who will be committing a minimum of 50% of their time.

## I. PAW Implementation Steps

Table 2: Implementation Steps

Step	Action	Next Steps	Timeline
1	Confirm list of assets for consideration.	Council direct staff / confirm asset list	May 2024
2	Hire or reassign staff 50% FTE.	Upon council approval, City Manager consults with HR	Jul 2024
3	City issues an RFQ, RFP, or works with a previous partner where a synergy already exists.	Assigned staff member will draft the RFP for Council review. Post RFQ/P. Solicit responses. Interview. Award contract.	Aug 2024 - Nov 2024
4	Working with the third-part property advisor, developer, or broker to identify housing or commercial opportunities	To be determined. Will be ongoing through 2025. Immediate attention should be paid to community engagement and disposition/ redevelopment and/or reuse of Civic Center, Police/Fire HQ, and Noyes Cultural Arts Center. Concurrently, determining affordable housing strategy for surface parking lots.	Ongoing 2024 - 2025
5	Refine property list to determine full redevelopment, partial repurposing, leasing vs. selling, or other revenue-generating potential (i.e., food and beverage, rentals, etc.).		Ongoing 2024 - 2025

## II. PAW Strategy Implementation: Council Goals

The Putting Assets to Work principles should be applied to assist the City Council in achieving its 2024-2025 goals - particularly fostering economic growth, increasing affordable housing, and assuring that city assets are utilized in a way to achieve CARP goals.

## III. PAW Strategy Implementation: Evanston Assets to Consider

The table on the following page lists the City of Evanston-owned assets that are prime for the PAW principles. The phasing of implementing PAW in Evanston is up to the City Council. After assigning a staff member to manage the process, the easiest first step is to create a plan for identifying a subset of the 37 city-owned surface parking lots in retail business or residential districts. The City has succeeded with parking lot redevelopment at 100 Chicago Avenue; another is about to begin at 504 South Boulevard.

Concurrently, a community engagement plan to help develop a disposition or reuse strategy for Evanston's core assets (e.g., Civic Center, Police/Fire, Noyes Cul-

**City of Evanston**  
2024-2025  
**City Council Goals**

- Foster** economic growth and development with a focus on Evanston Thrives Action Plan priorities
- Ensure** equity in public health initiatives and expand community health partnerships
- Increase** affordable housing
- Enhance** public safety
- Prioritize** financial transparency, forecasting, and new revenue streams
- Implement** the City's Climate Action and Resiliency Plan (CARP)

**Mission Statement**  
The City of Evanston is committed to promoting the highest quality of life for all residents by providing fiscally sound, responsive municipal services and delivering those services equitably, professionally, and with the highest degree of integrity.

**Vision Statement**  
Creating the Most Livable City in America

**Organizational Values**

- Excellent Customer Service
- Continuous Improvement
- Integrity
- Accountability

tural Arts Center) should be developed. The conversation has started. It's in the earliest stages. But the work has begun. Complete the deeper community engagement process and quickly come to terms with the plans for the properties. Long-term vacancies create a new set of challenges related to maintenance and public safety.

Finally, concurrently, but with a longer-term mindset, the City Council should consider directing staff to create a community engagement process and lakefront strategy to enhance Evanston's #1 amenity. This is not a real estate development strategy. Passive recreation may not be the best use of the lakefront in an era defined by active recreation, outdoor dining, music, and art. Lake Michigan provides the ultimate background for these experiences, and with the exception of Chicago, no other community is better positioned to utilize it in a responsible but attractive way. In the following table, immediate means both council approval and hiring or assigning additional staff. Mid-term means within six months with community engagement resulting in a detailed strategy. Long-term requires a deeper community engagement strategy and a planning effort - likely one to two years.

**Table 3: Evanston Putting Assets to Work Recommended Properties**

Site	Address	Description	Potential PAW Future Use	Timing
Parking Lots				
Parking Lot 3	1700 Chicago Ave	72-space surface parking lot, aka "Library Parking Lot"	Affordable housing, public parking	Immediate
Parking Lot 25	1614 Maple Ave	32-space surface parking lot	Mixed use commercial/affordable housing, public parking	Immediate
Parking Lot 27	1621 Oak Ave	36-space surface parking lot	Mixed use commercial/affordable housing, public parking	Immediate
Parking Lot 31	925 Sherman Ave	20-space surface parking lot		
Parking Lot 39	711 Hinman Ave	48-space surface parking lot	Affordable housing, residential permit parking	Immediate
Parking Lot 32	825 Hinman Ave	77-space surface parking lot	Affordable housing, residential permit parking	Immediate
Parking Lot 35	NW corner of Main & Judson	56-space surface parking lot	Affordable housing, residential/public parking	Immediate
Parking Lot 24	727 Main St	32-space mid-block metered surface parking lot on North side of Main St	Mixed use commercial/affordable housing, public parking	Immediate
Parking Lot 23	NW corner of Elmwood & Dempster	38-space surface parking lot	Affordable housing, residential/public parking	Immediate
Parking Lot 4	Central St & Stewart Ave	66-space surface parking lot	Mixed use commercial/affordable housing, public parking	Mid-term
Parking Lot 51	927 Noyes St	55-space surface parking lot	Mixed use commercial/affordable housing, public parking	Mid-term

Site	Address	Description	Potential PAW Future Use	Timing
Parking Lot 8	811 Main St	49-space surface parking lot next to laundromat	Mixed use commercial/affordable housing, public parking. May require property assembly with adjacent property.	Mid-term
Parking Lot 21	1100 Central St	92-space surface parking lot -- Chandler Newberger	Affordable housing, residential/ public parking	Mid-term
Buildings				
Civic Center	2100 Ridge Ave	Civic Center administration	TBD, requires planning	Mid-term
Police/ Fire HQ	1454 Elmwood Ave/909 Lake St	Police and Fire Department headquarters	TBD, requires planning	Mid-term
Noyes Cultural Arts Center	927 Noyes St	Art studios, theater, galleries	TBD, requires planning	Mid-term
Lakefront Amenities				
Lakefront parks and beaches (municipal boundary at Howard St North to Lighthouse Beach)		Beaches, water sports, lagoon building, boat house, concession buildings, etc.	TBD, requires planning -- revenue enhancements through food and beverage, rentals, etc.	Long term

#### IV. PAW Grant

A recent grant opportunity, up to \$1 million, announced by the U.S. Department of Transportation (DOT) called the Innovative Finance and Asset Concession Grant Program is aimed at supporting governments seeking to identify publicly owned assets that might be used to advance public-private partnerships for transit-oriented development.

The purpose is to assist eligible public entities in facilitating and evaluating public-private partnerships and exploring opportunities for innovative financing and delivery for eligible Transit-oriented development projects. The Civic Center, Police and Fire HQ, and Noyes Cultural Arts Center all meet the standards of the Transit-oriented grant definition being within ½ mile of a transit station.

Ben McAdams, who leads the Putting Assets to Work Incubator in partnership with GFOA, is soliciting interest from eligible jurisdictions to join a Putting Assets to Work grant application cohort. The Putting Assets to Work team will provide complimentary grant-writing services for selected jurisdictions. Participation in the cohort is free, but participation is contingent on realizing the grant award.

# ATTACHMENT B: EVANSTON ASSET MAPS

The following pages contain images created by Urban3.

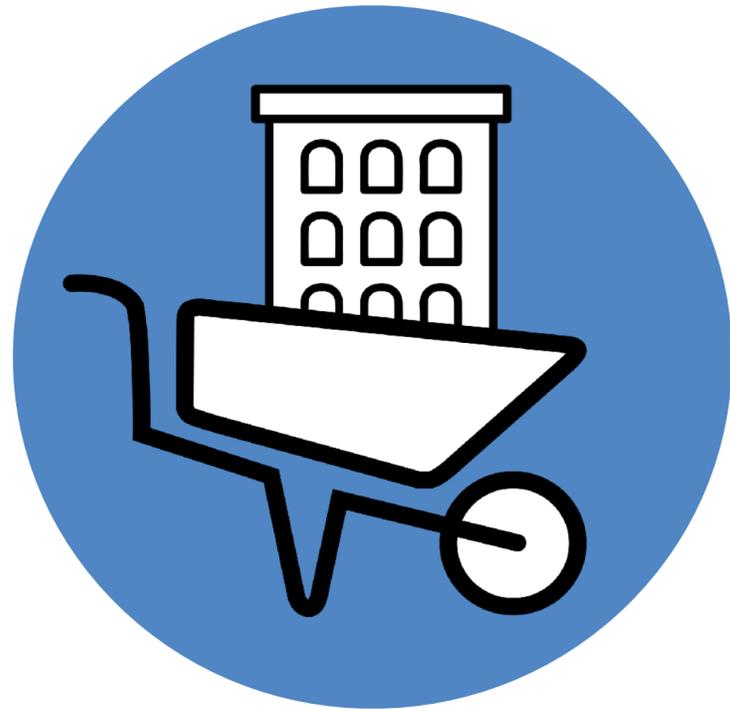


Value per acre map of Auckland,  
New Zealand

# URBAN<sup>3</sup>

Economics of Community Design

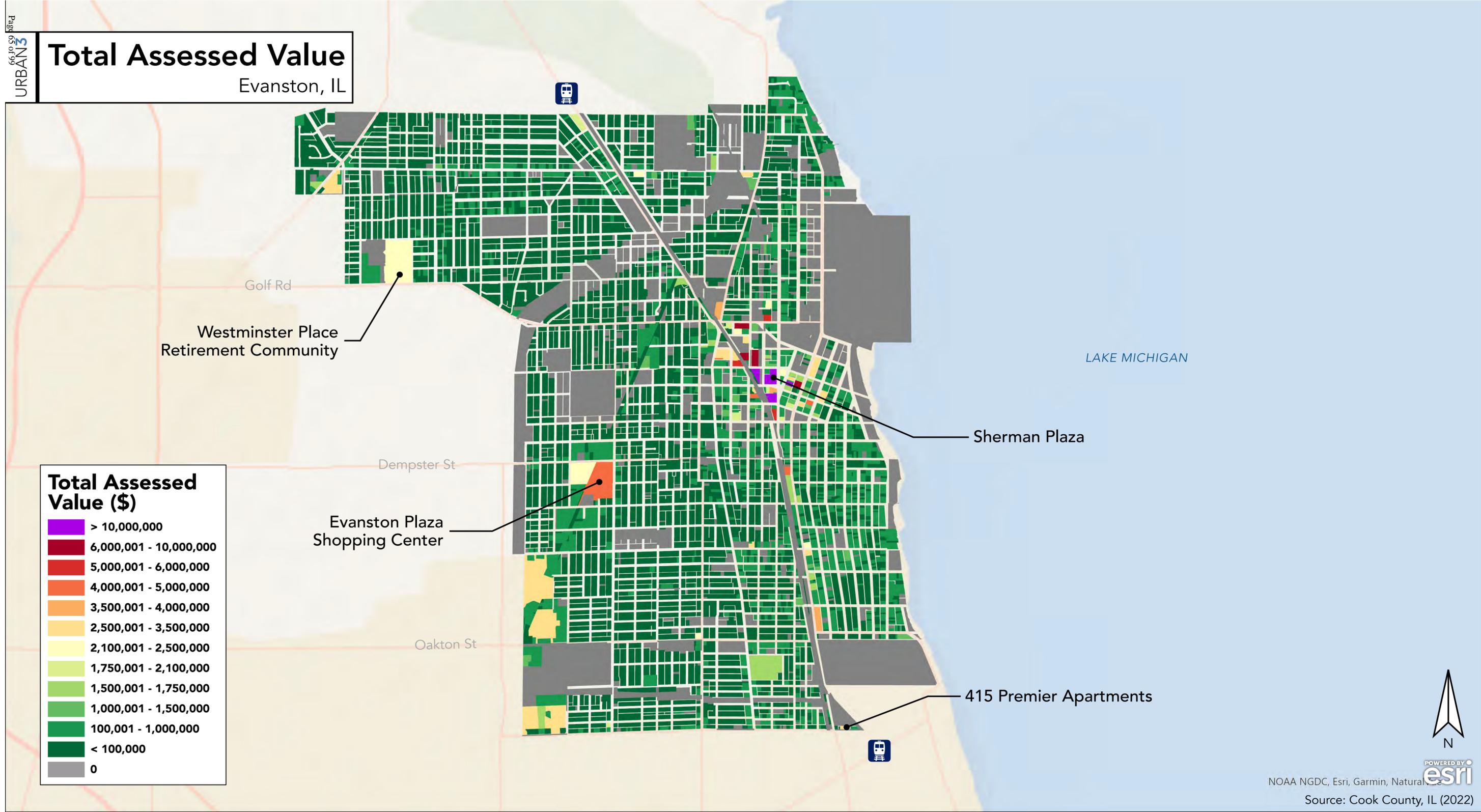
*Evanston, Illinois*

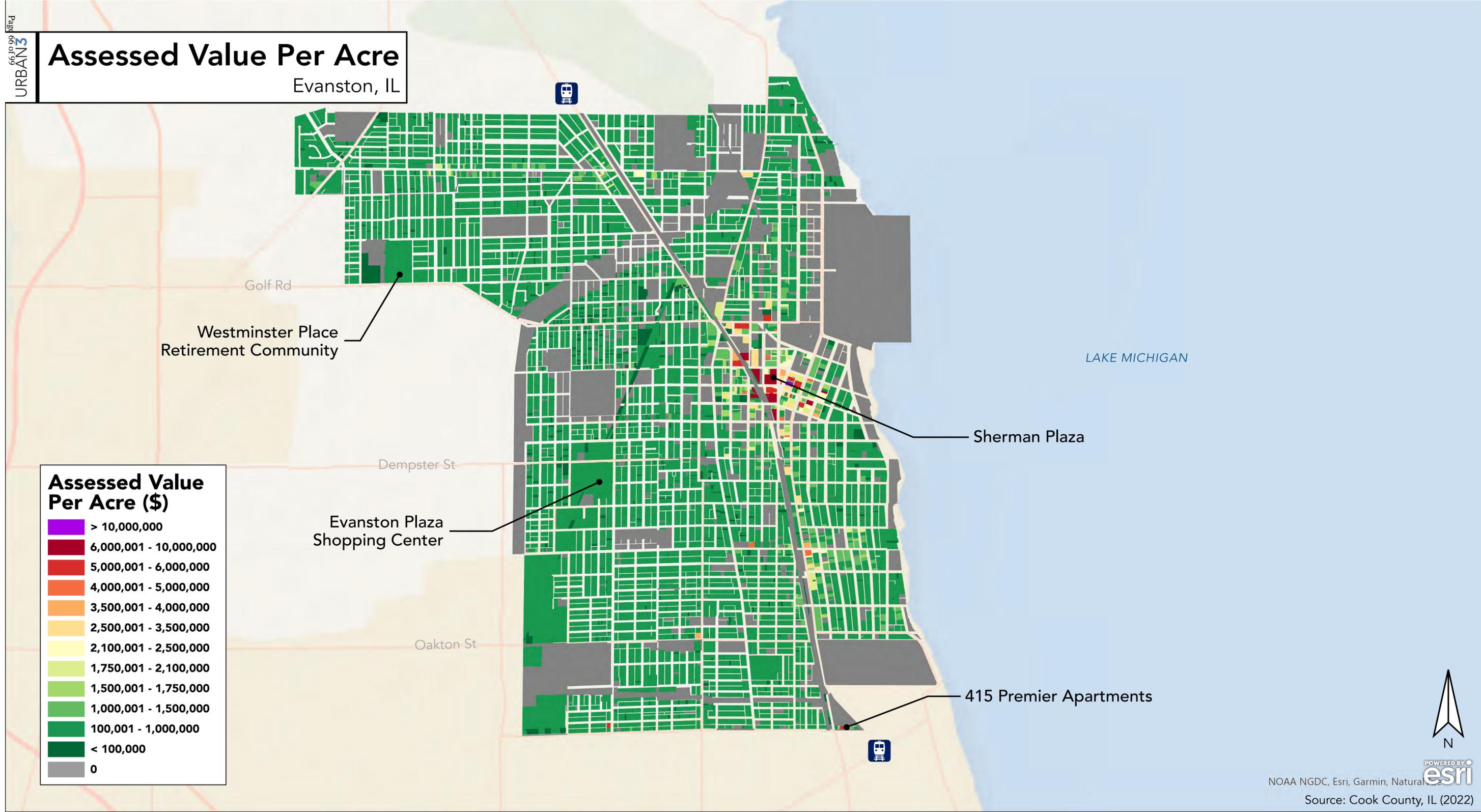


# Putting Assets to Work

Public Asset Mapping and Indicative Valuation Analysis

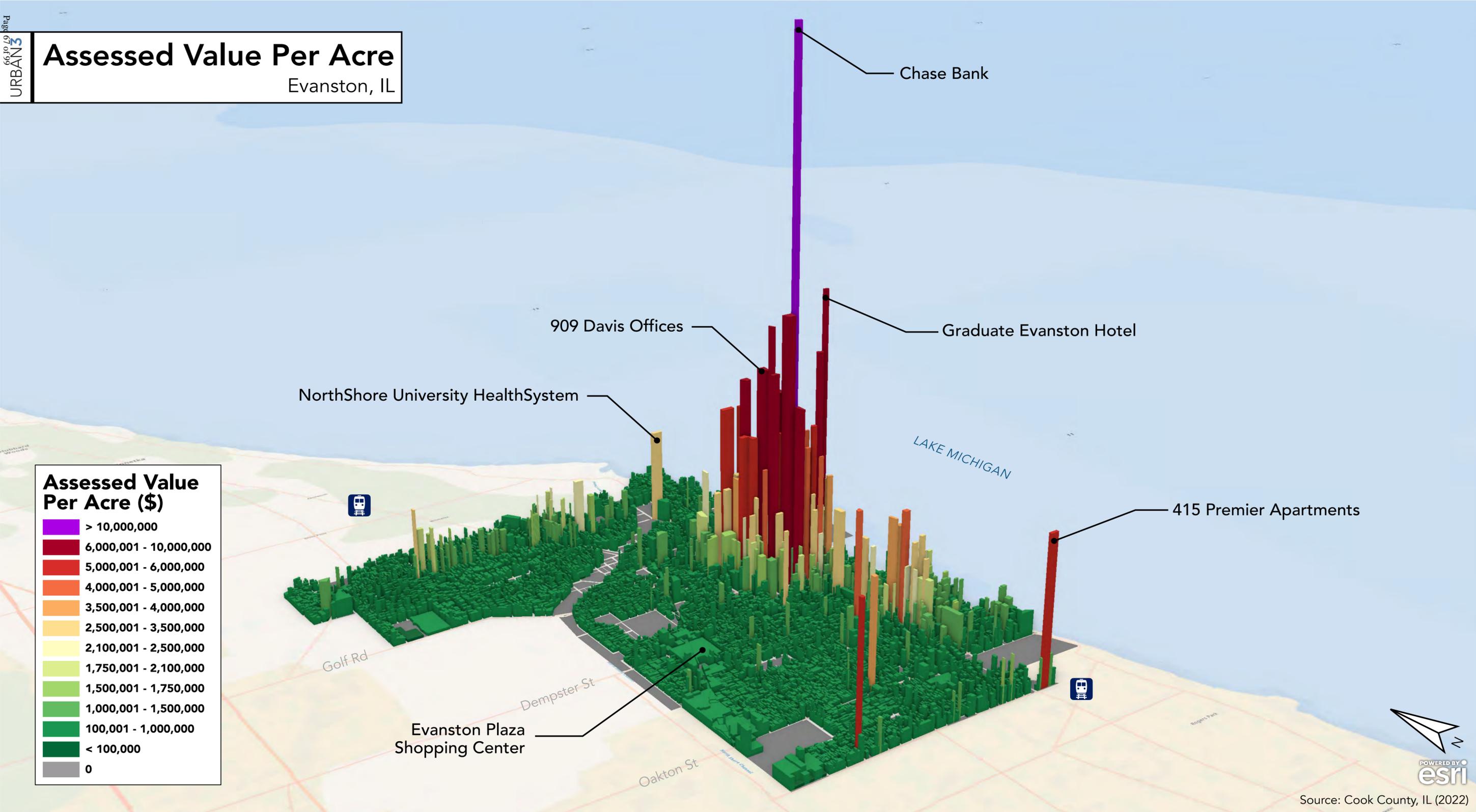
URBAN3





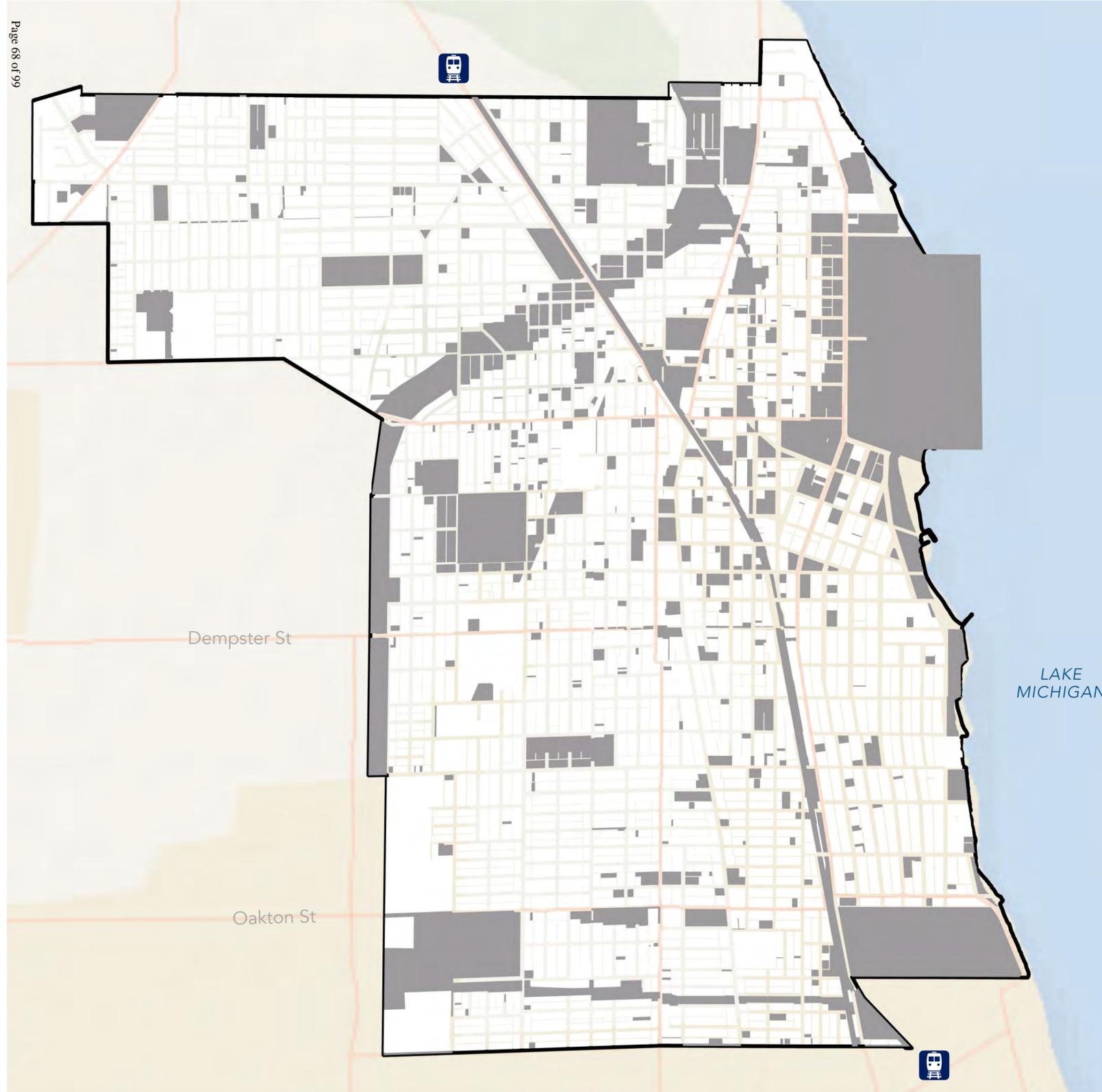
# Assessed Value Per Acre

Evanston, IL



Source: Cook County, IL (2022)

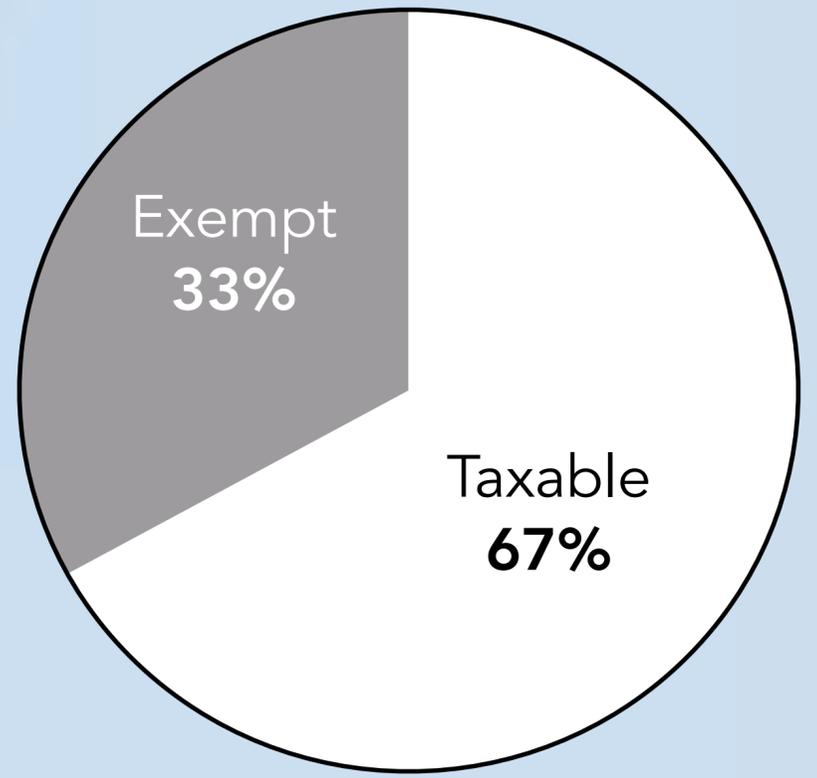




# Mapping Taxable vs. Exempt Property

Evanston, IL

URBAN3

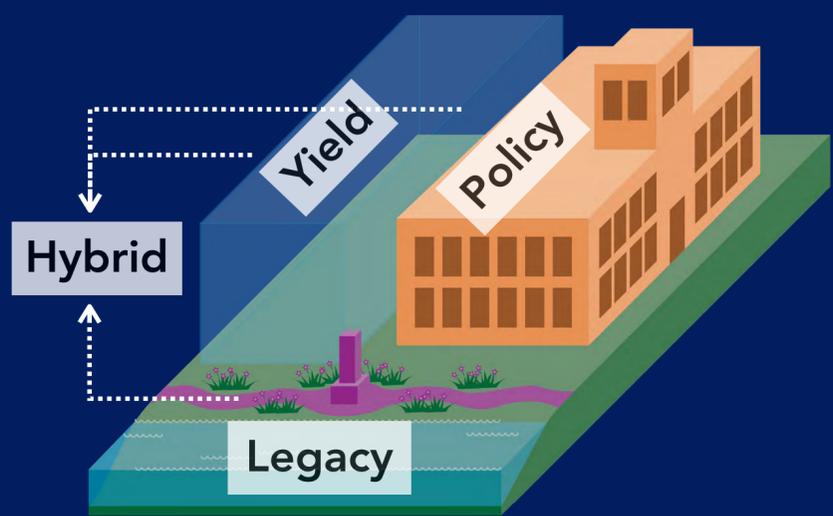


POWERED BY  
**esri**

Source: Cook County, IL (2022)

# Public Asset Implementation Structure

## Step 1: Map Your Assets



## Step 2: Assemble Your Team(s)



## Step 3: Generate Value



*For example...*

Preserve Open Space



Generate Affordable Housing



Improve Transit



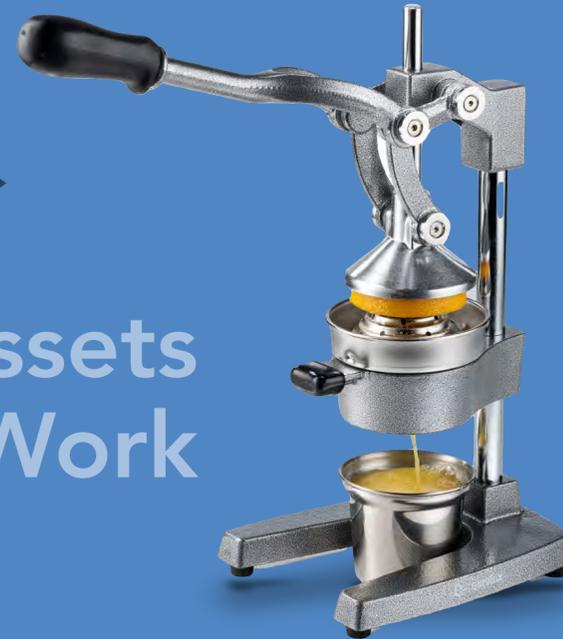
*etc.*

## Step 4: Plan for Reinvestment

# Public Assets



Putting Assets  
to Work



# Community Priorities

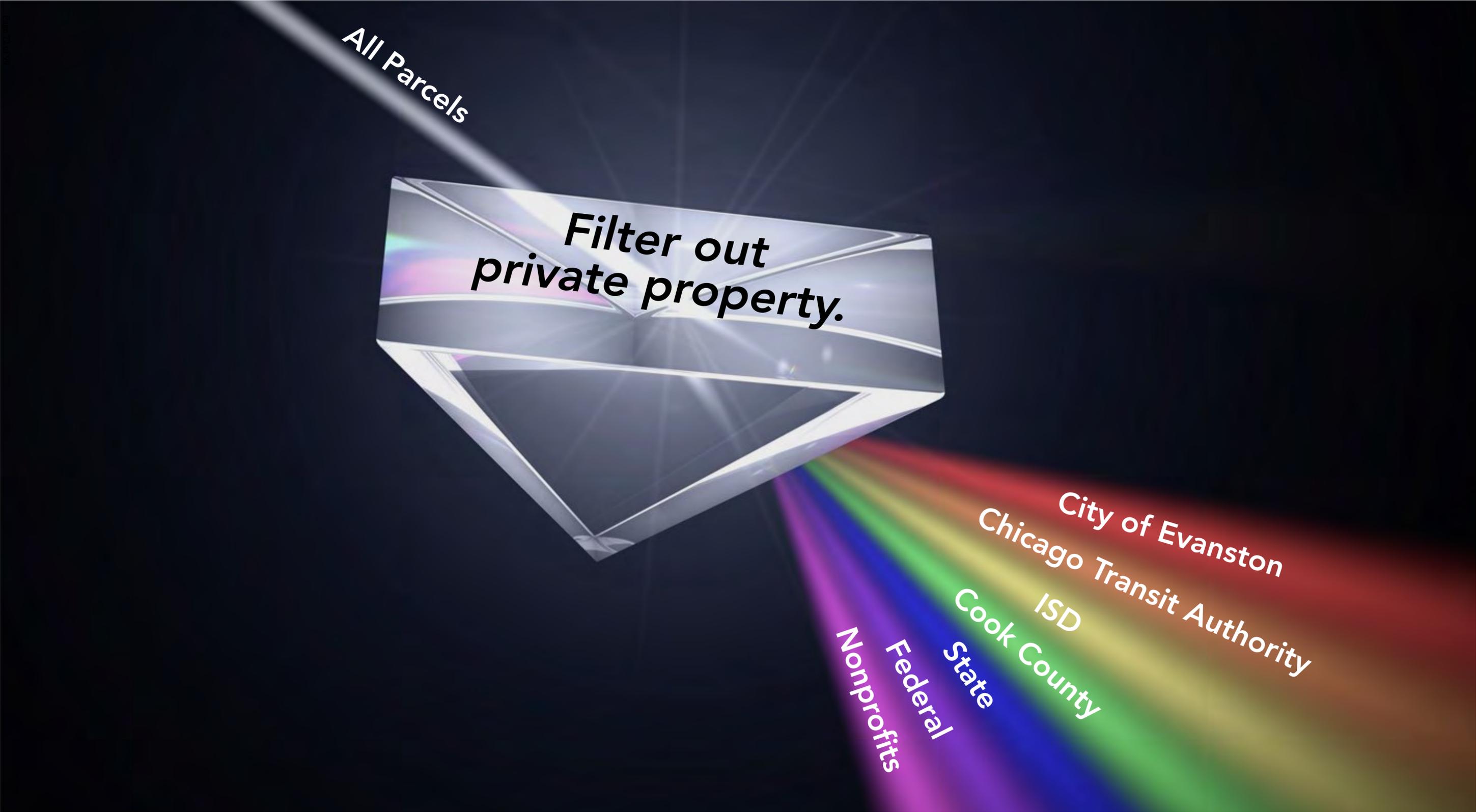


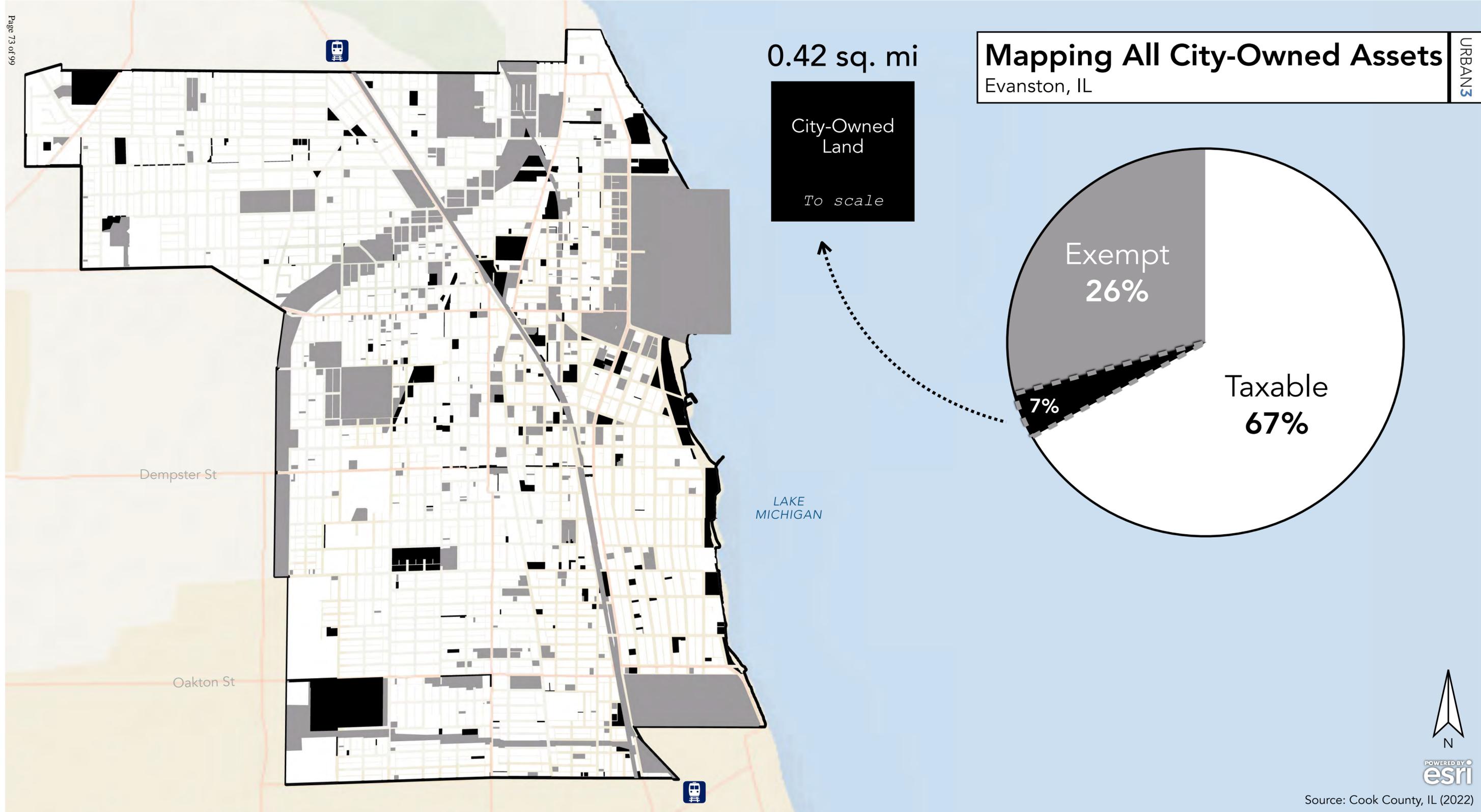
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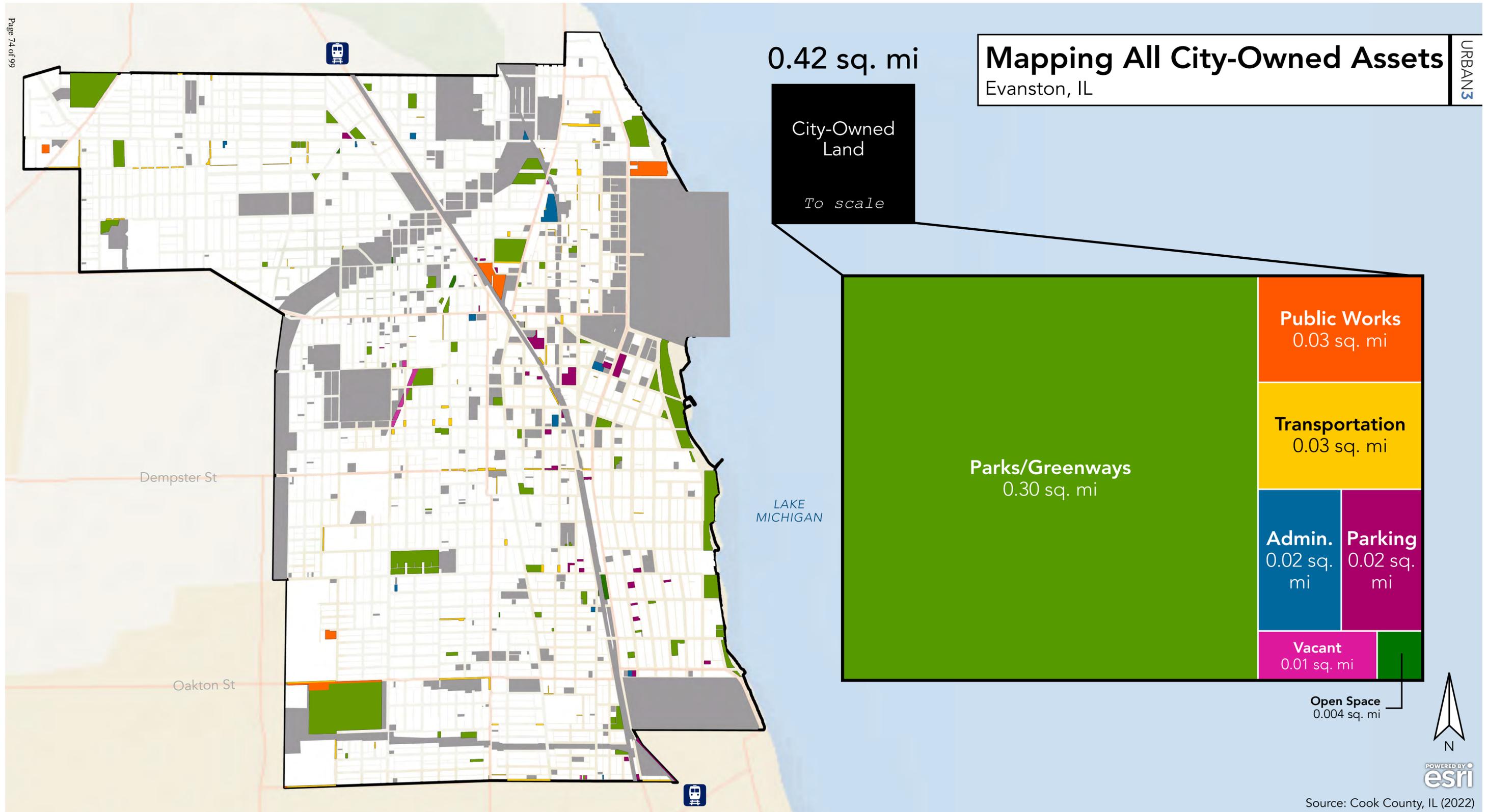


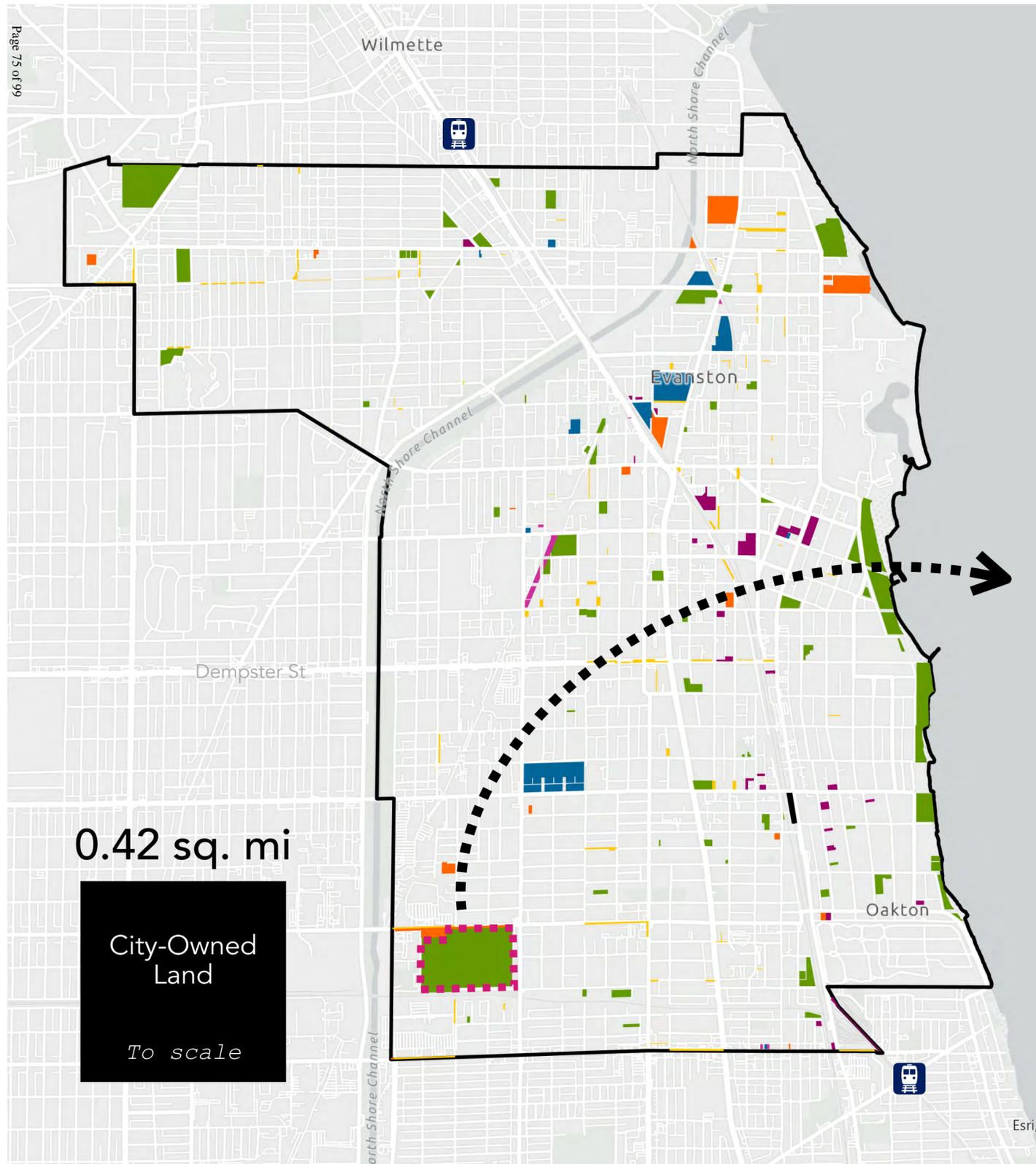
# Mapping Your Assets

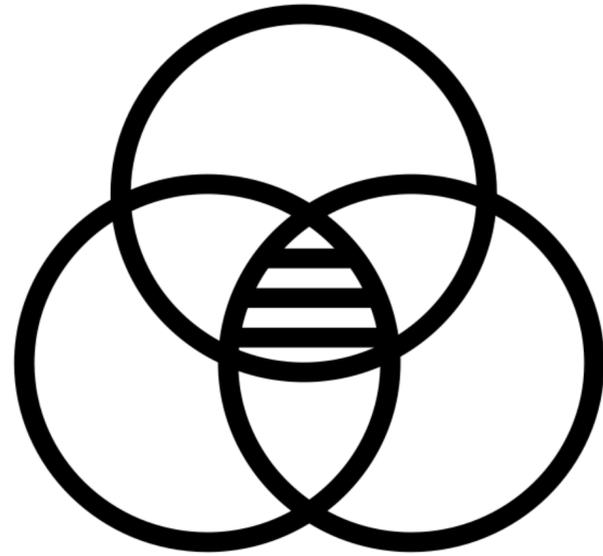
Identifying Public Property









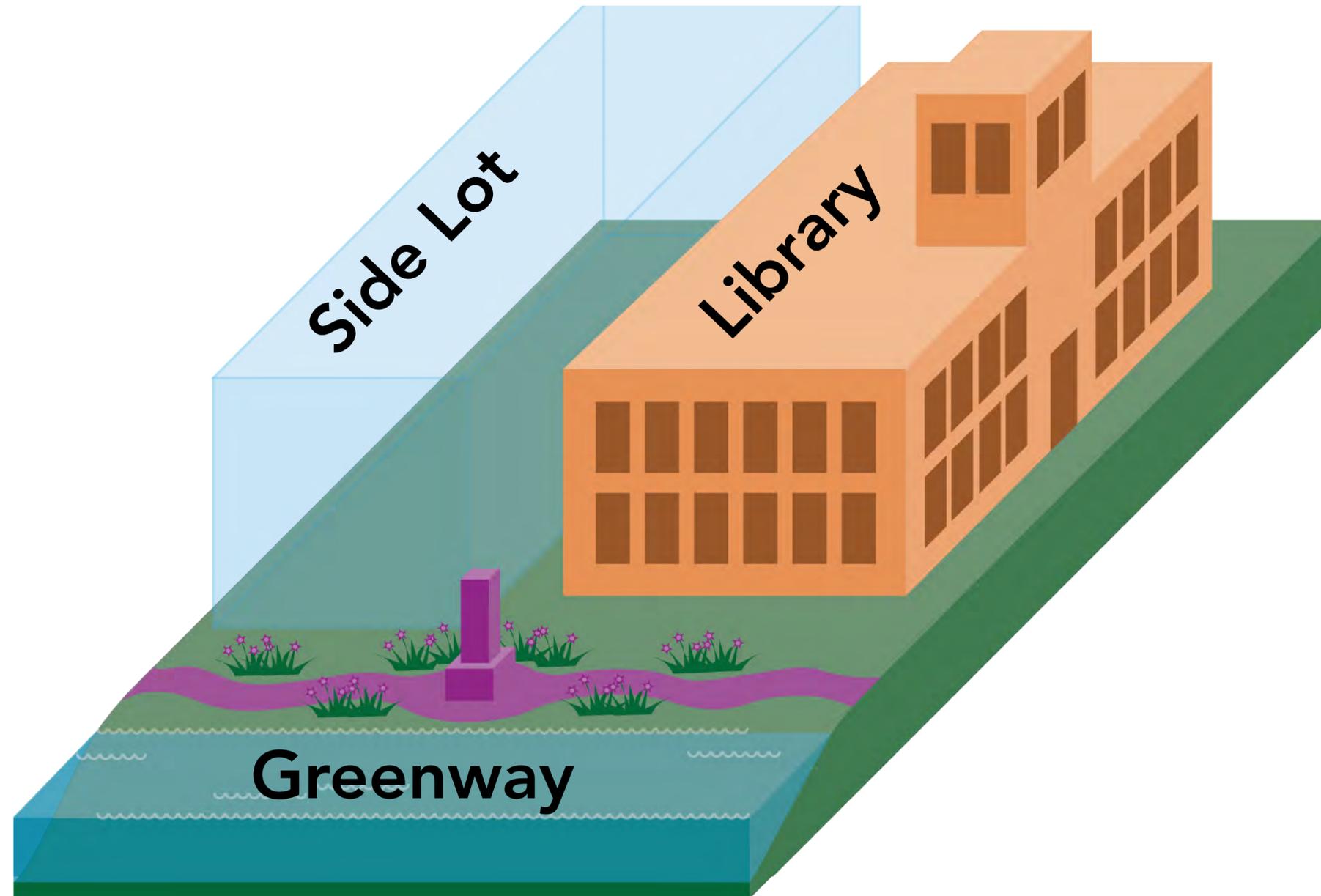


# Types of Public Assets

Classification & Evaluation of Change Over Time

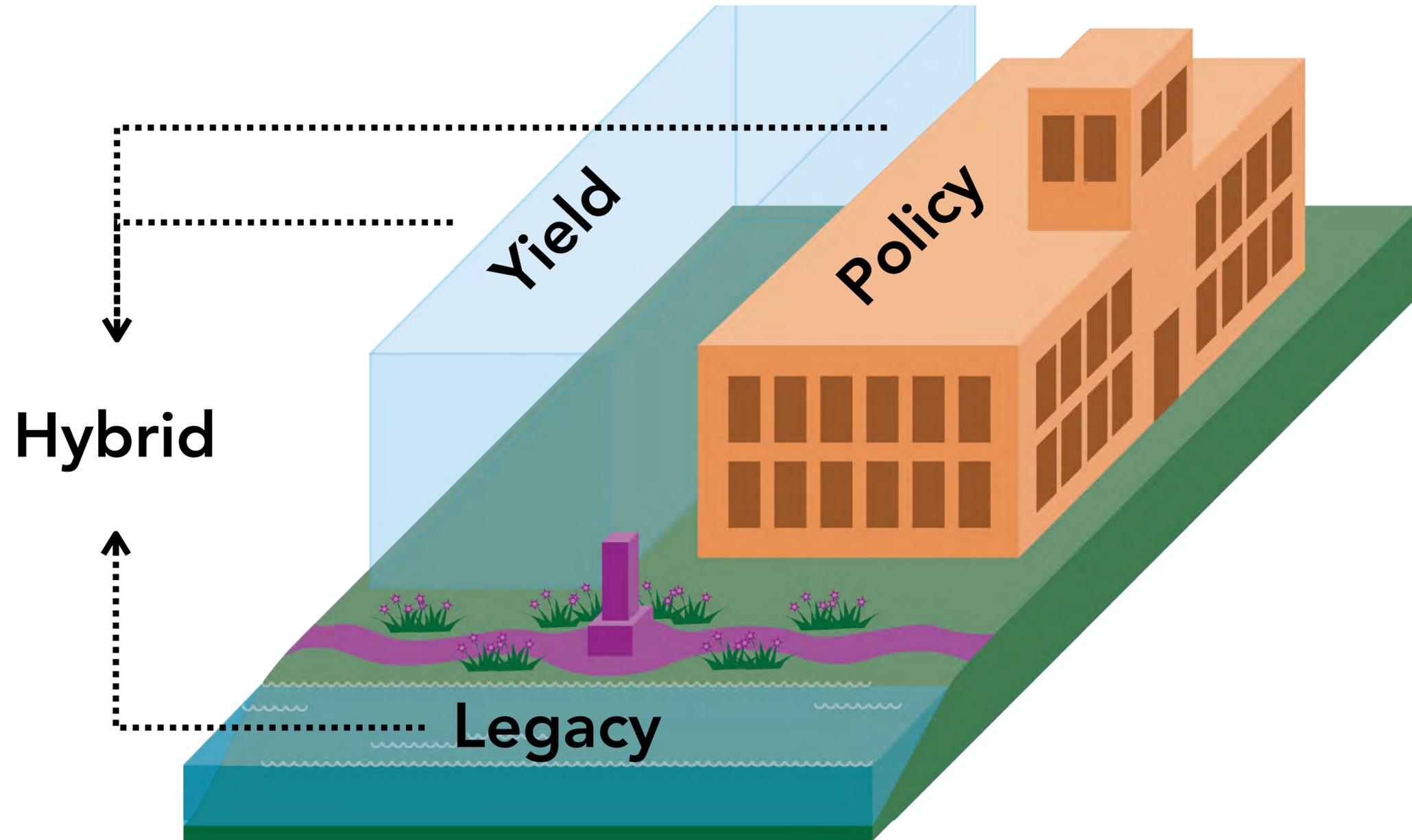
# Types of Public Assets

Anywhere, USA



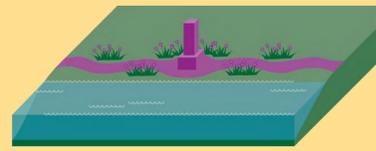
# Types of Public Assets

Anywhere, USA



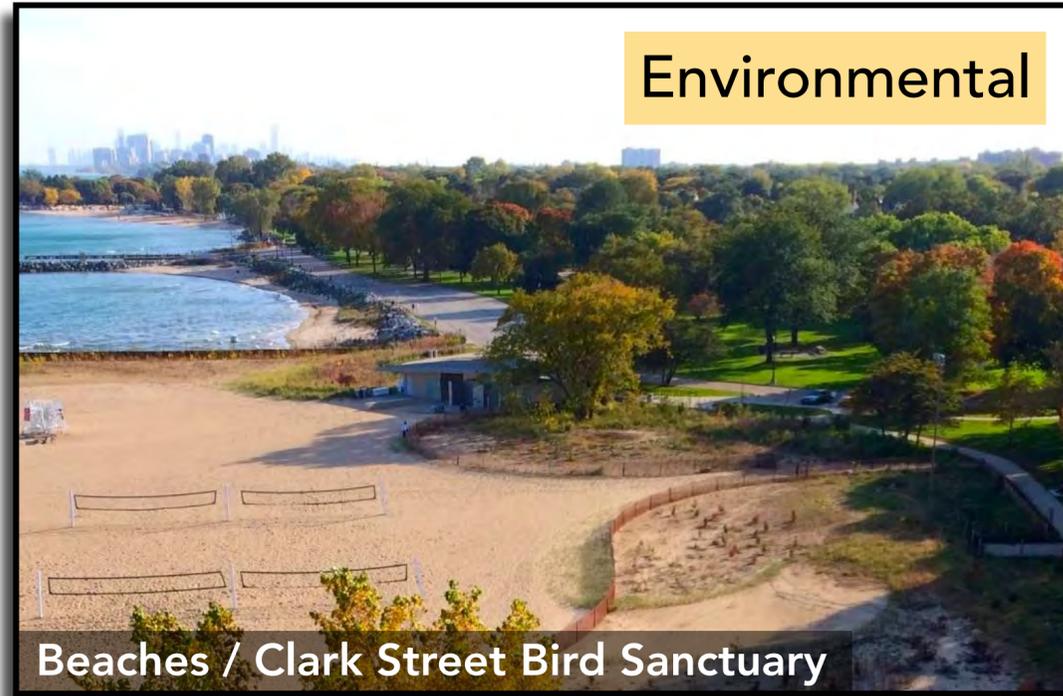
# Types of Public Assets

Evanston, IL



## Legacy

Places we want to *preserve*



Environmental

Beaches / Clark Street Bird Sanctuary



Historical

Lovelace Park



Cultural  
Historical

Merrick Rose Garden

Source: Evanston, IL

# Types of Public Assets

Evanston, IL



## Policy

Places that provide *service now*



Civic Policy

Civic Center



Public Safety

Fire Station

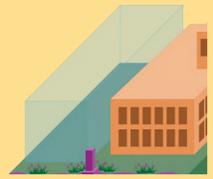


Public Services

Robert Crown Community Center

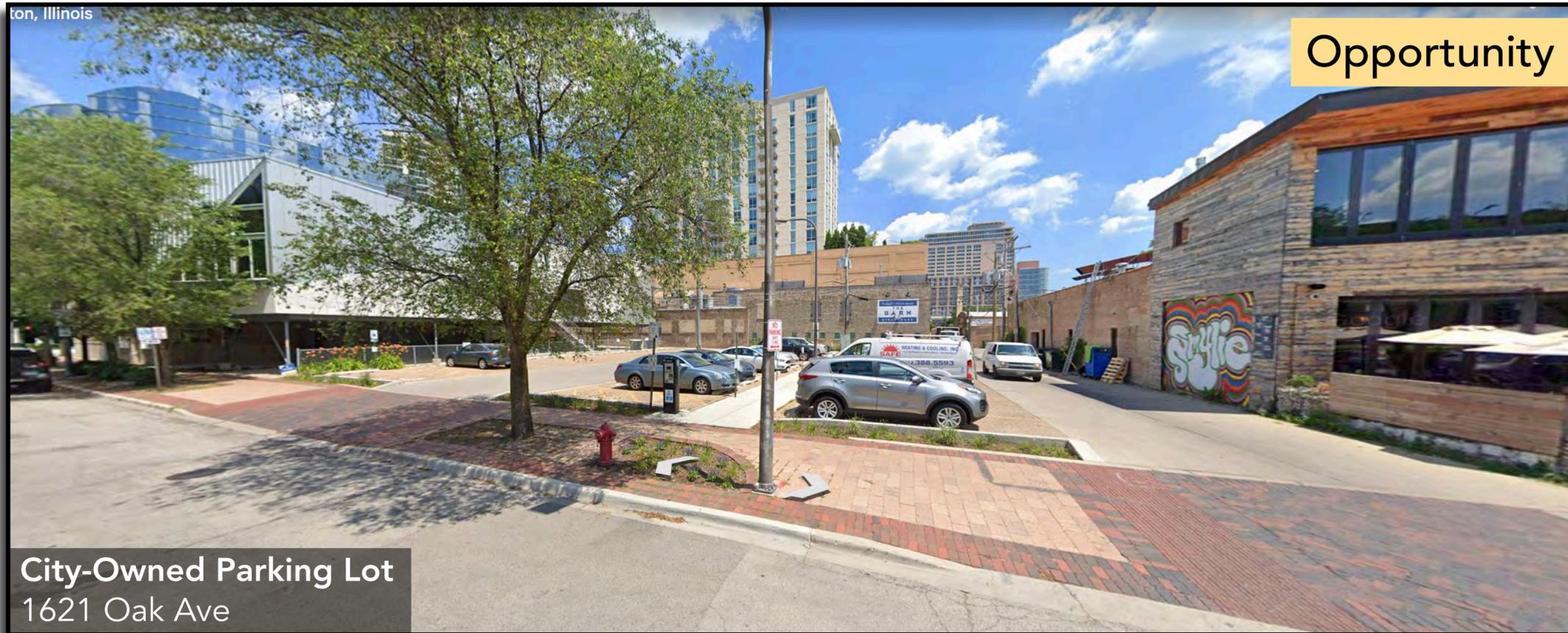
# Types of Public Assets

Evanston, IL



## Yield

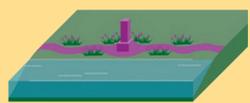
Places that are asset *opportunities*



City-Owned Parking Lot  
1621 Oak Ave

# Types of Public Assets

Evanston, IL



## Legacy

Places we want to *preserve*



Merrick Rose Garden



## Policy

Places that provide *service now*



Civic Center



## Yield

Places that are asset *opportunities*



City-Owned Parking Lot



## Hybrid

*Combination(s) of Legacy, Policy, & Yield*



Office + Vacant Land

Now that we have an understanding of different types of assets, we can move into a conceptual example of how a community could value different types of assets. Consider these six property characteristics:

**Recreational Value**

**Direct Service to Community**

**Cultural/Historical Significance**

**Ecological Importance**

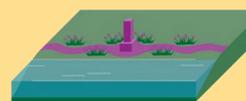
**Site Efficiency**

**Financial Lift**

It is possible to rate the value each asset has in these areas to determine what potential the asset may have for leveraging in a different way. The following slides show conceptual examples.

# Types of Public Assets

Evanston, IL



## Legacy

Places we want to *preserve*



Merrick Rose Garden

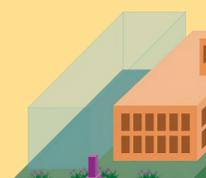


## Policy

Places that provide *service now*



Civic Center



## Yield

Places that are asset *opportunities*



City-Owned Parking Lot

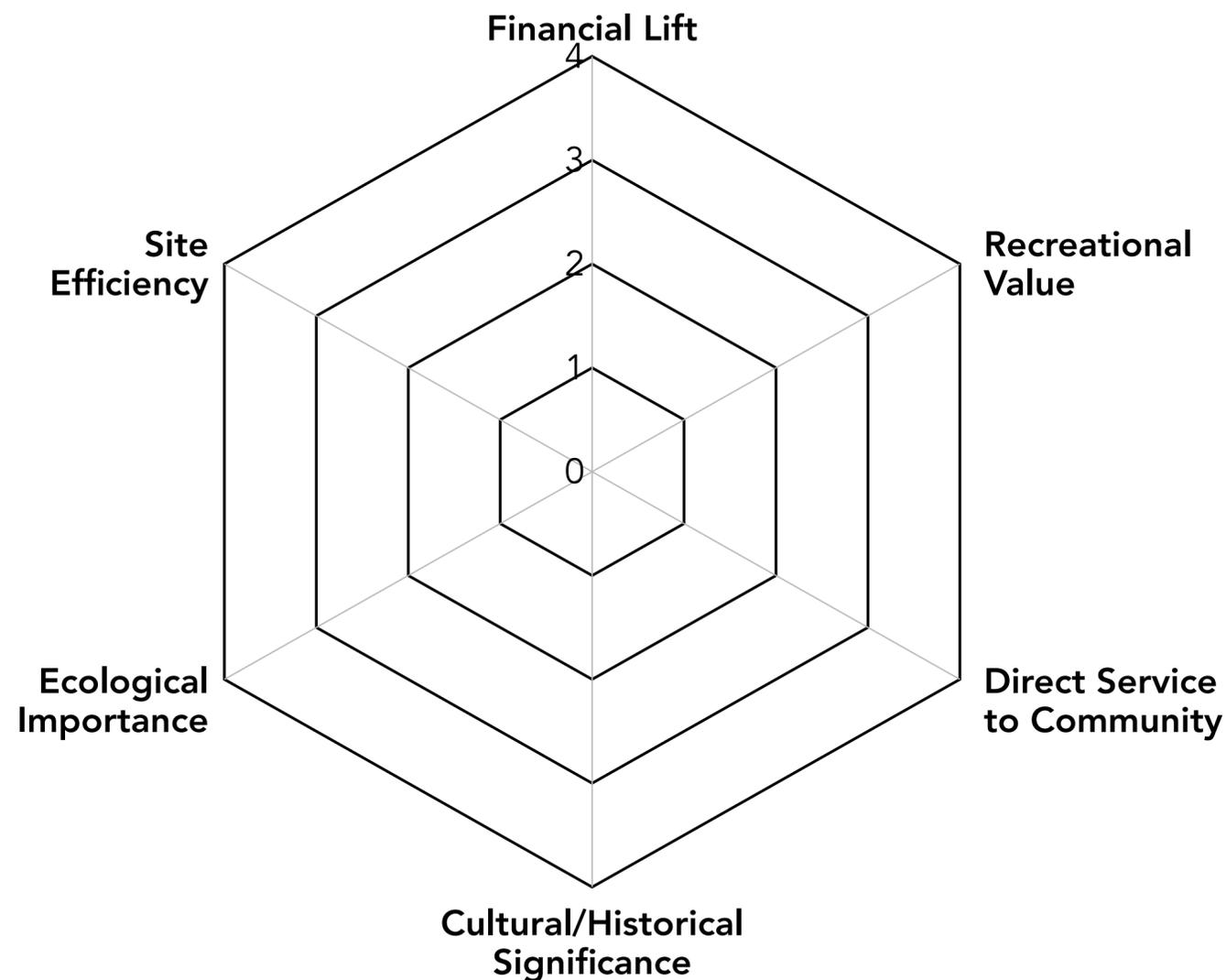


## Hybrid

*Combination(s) of Legacy, Policy, & Yield*

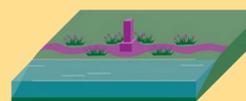


Office + Vacant Land



# Types of Public Assets

Evanston, IL



## Legacy

Places we want to *preserve*



Merrick Rose Garden



## Policy

Places that provide *service now*



Civic Center



## Yield

Places that are *asset opportunities*



City-Owned Parking Lot

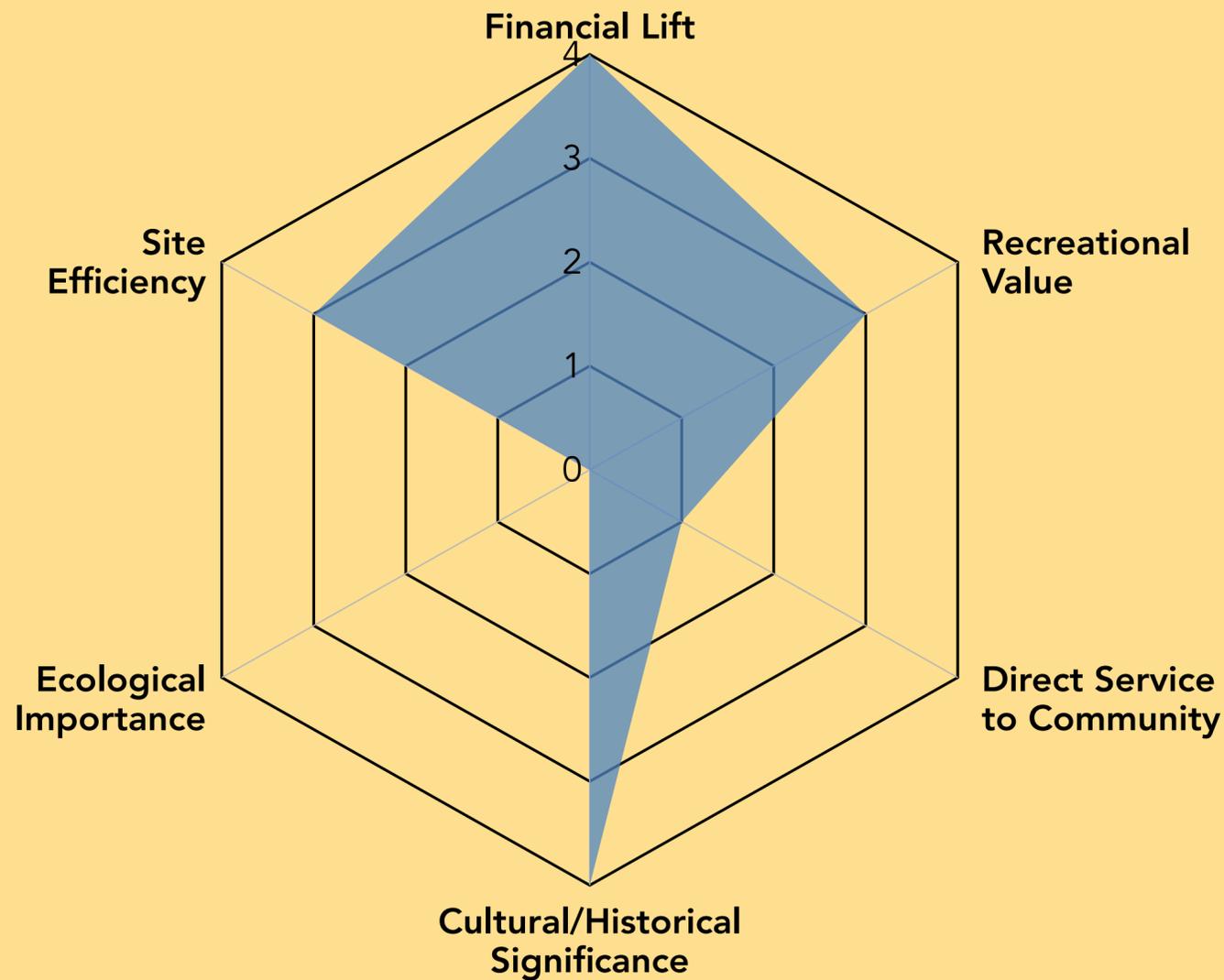


## Hybrid

*Combination(s) of Legacy, Policy, & Yield*



Office + Vacant Land



# Types of Public Assets

Evanston, IL



## Legacy

Places we want to *preserve*



Merrick Rose Garden



## Policy

Places that provide *service now*



Civic Center



## Yield

Places that are asset *opportunities*



City-Owned Parking Lot

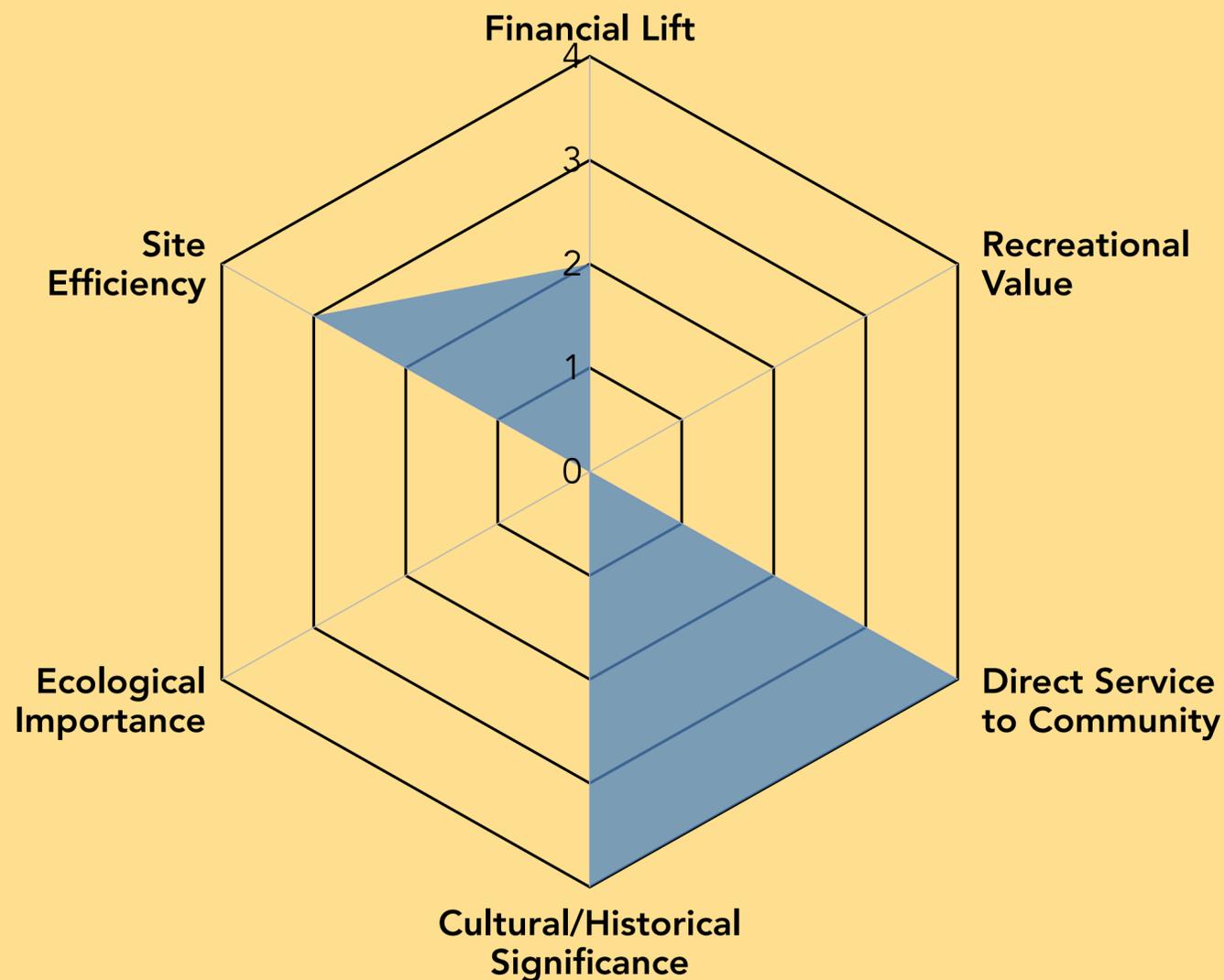


## Hybrid

Combination(s) of Legacy, Policy, & Yield



Office + Vacant Land



Source: Urban3

# Types of Public Assets

Evanston, IL



## Legacy

Places we want to *preserve*



Merrick Rose Garden



## Policy

Places that provide *service now*



CITY OF EVANSTON  
Gerraine H. Morton  
Civic Center



## Yield

Places that are asset *opportunities*



City-Owned Parking Lot

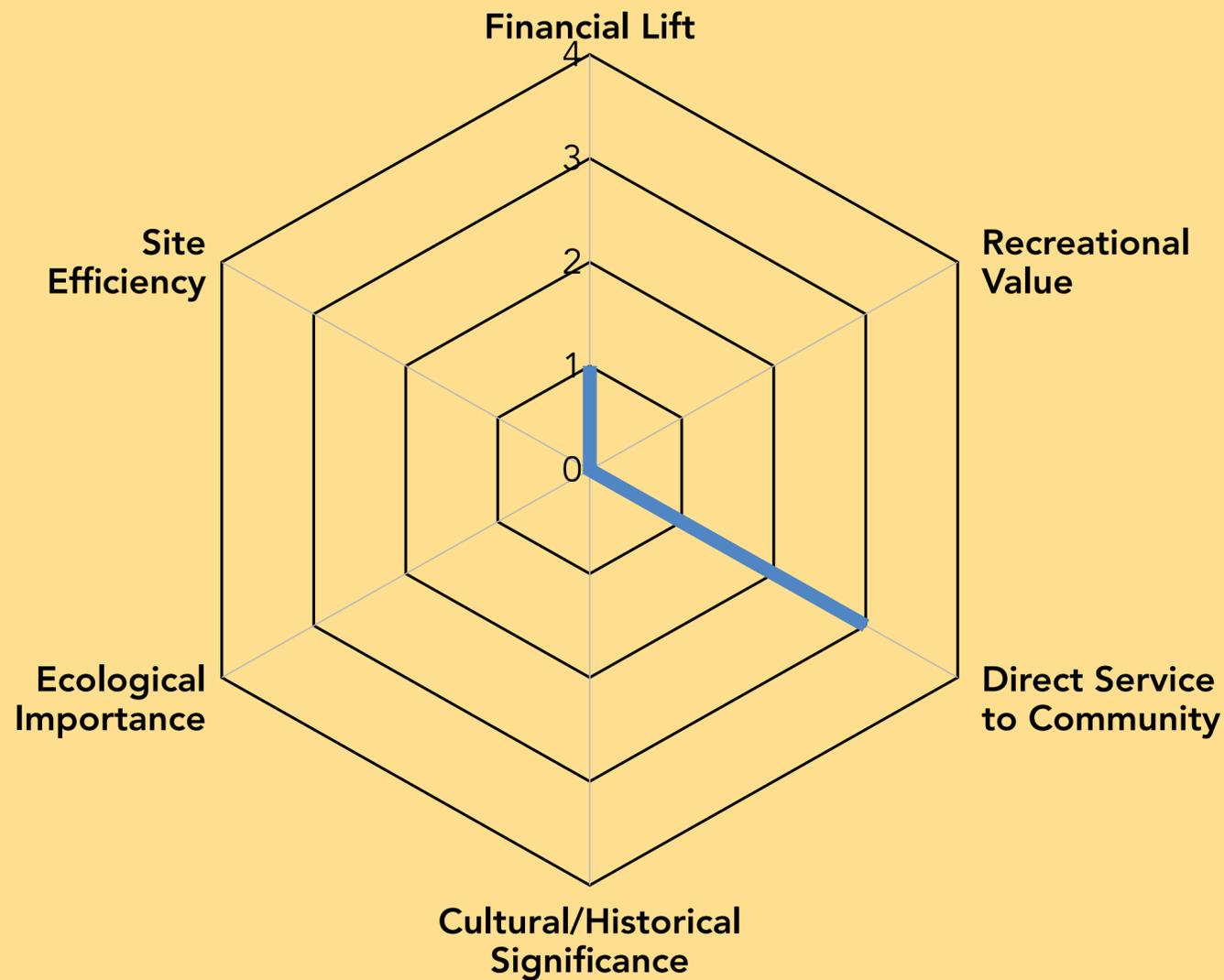


## Hybrid

Combination(s) of Legacy, Policy, & Yield



Office + Vacant Land



# Types of Public Assets

Evanston, IL



## Legacy

Places we want to *preserve*



Merrick Rose Garden



## Policy

Places that provide *service now*



CITY OF EVANSTON  
Gerraine H. Morton  
Civic Center



## Yield

Places that are *asset opportunities*



City-Owned Parking Lot

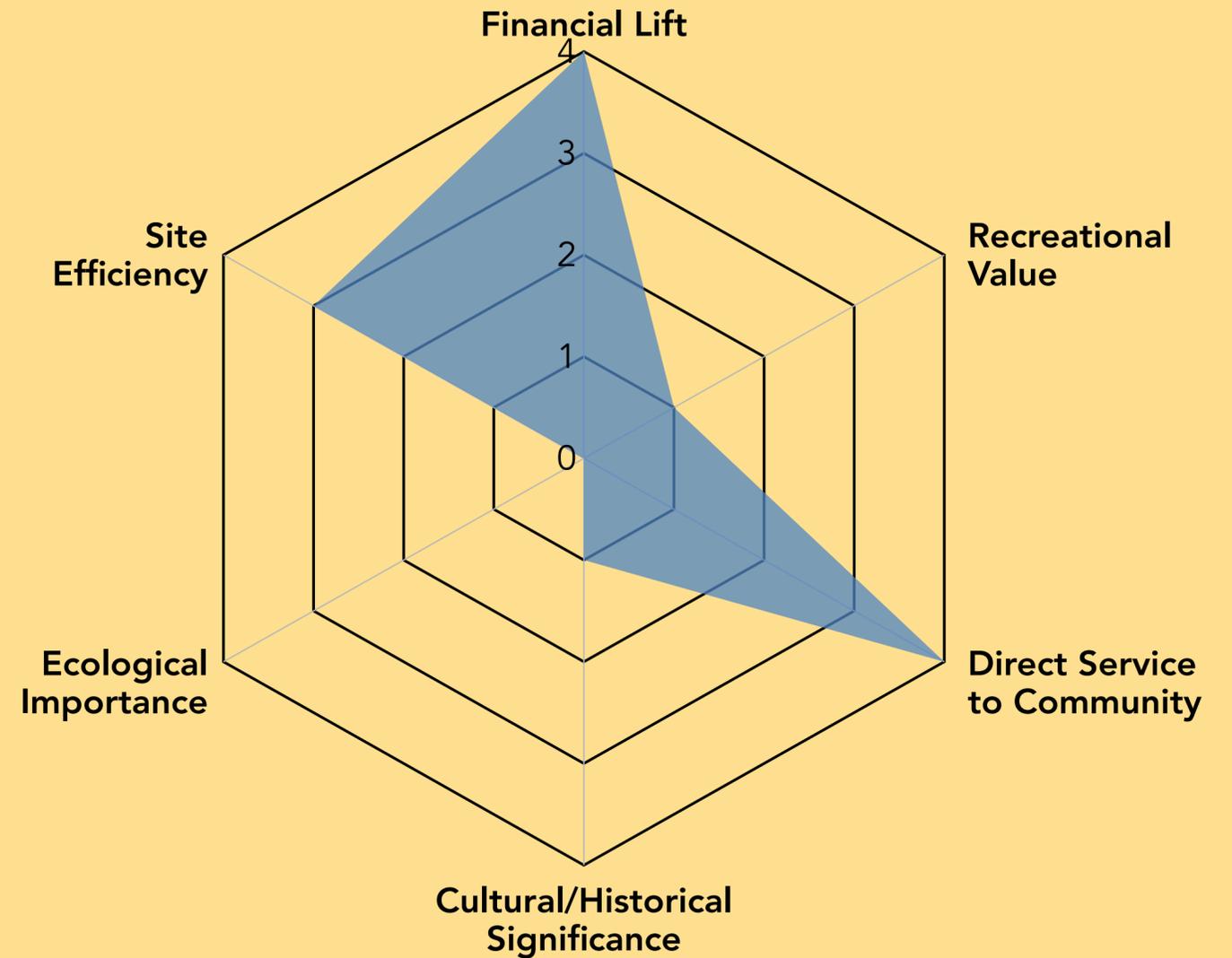


## Hybrid

*Combination(s) of Legacy, Policy, & Yield*

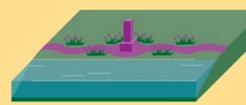


Office + Vacant Land



# Types of Public Assets

Evanston, IL



## Legacy

Places we want to *preserve*



Merrick Rose Garden



## Policy

Places that provide *service now*



Civic Center



## Yield

Places that are asset *opportunities*



City-Owned Parking Lot

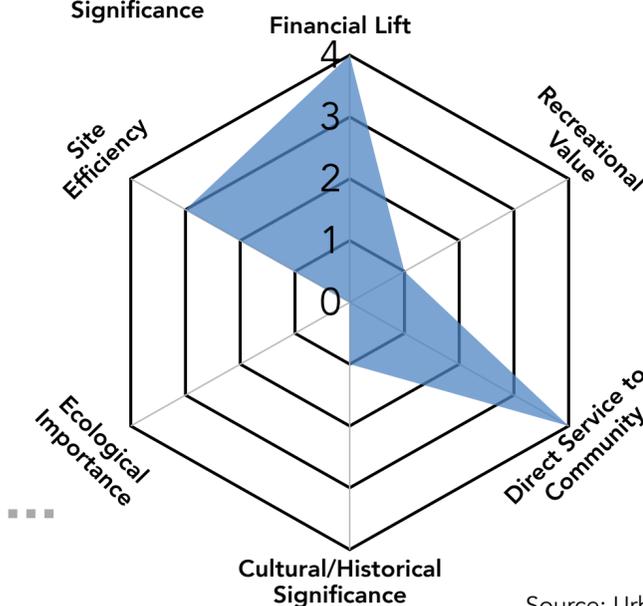
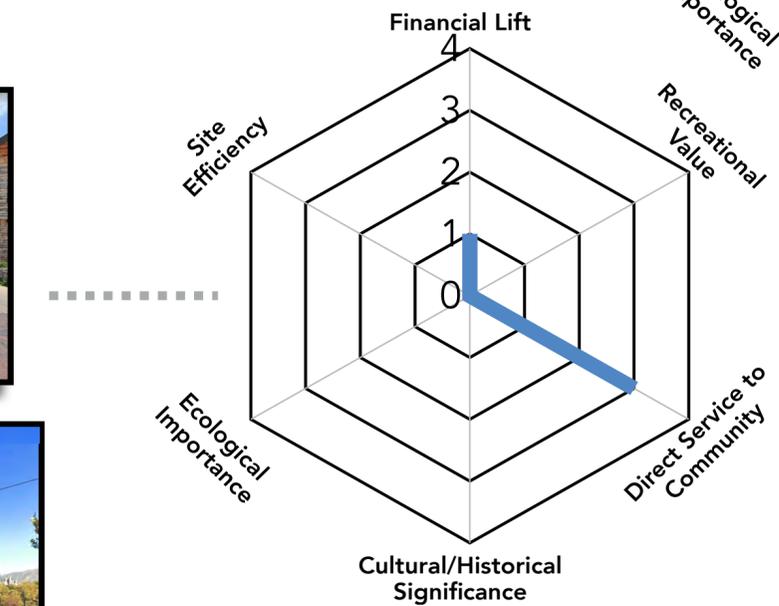
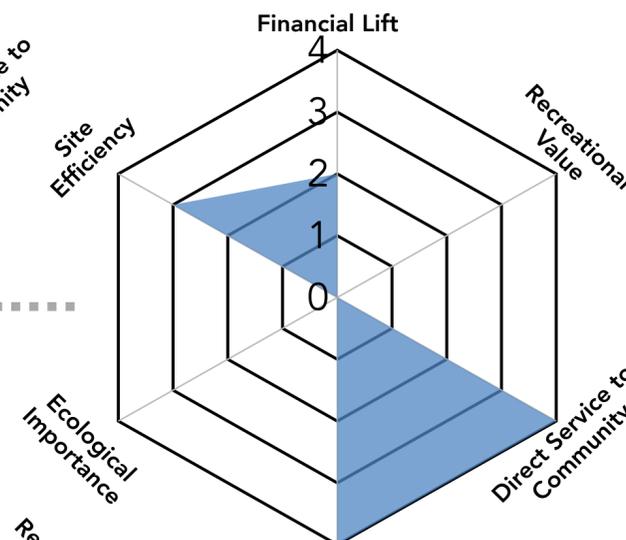
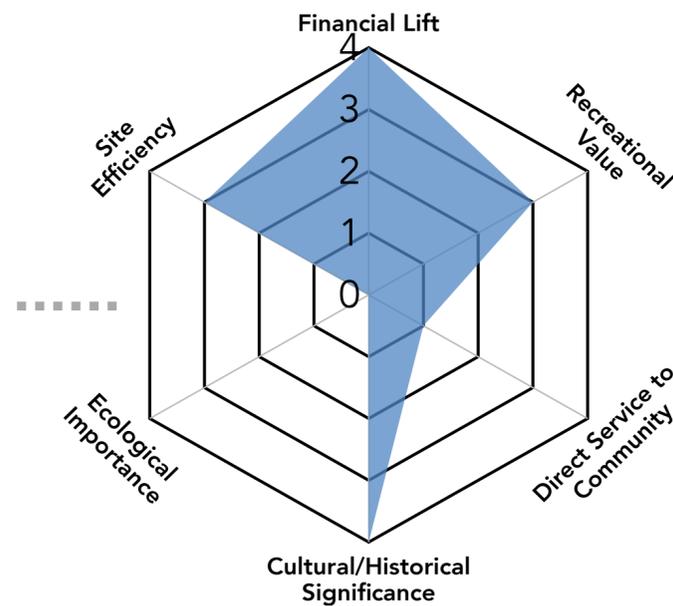


## Hybrid

Combination(s) of Legacy, Policy, & Yield



Office + Vacant Land



Source: Urban3

# Types of Public Assets

Evanston, IL

Yield Potential



Different assets have different degrees of adaptability, which impact their yield potential. Some assets, like a parking lot, could be considered “low-hanging fruit” when it comes to leveraging them in a different way. Other assets, like a natural area or civic building, may be heavier lifts to change from their current use to something new.

Adaptability

# Public Asset Redevelopment

Evanston, IL

## Parking Lot

2012

City  
redeveloped

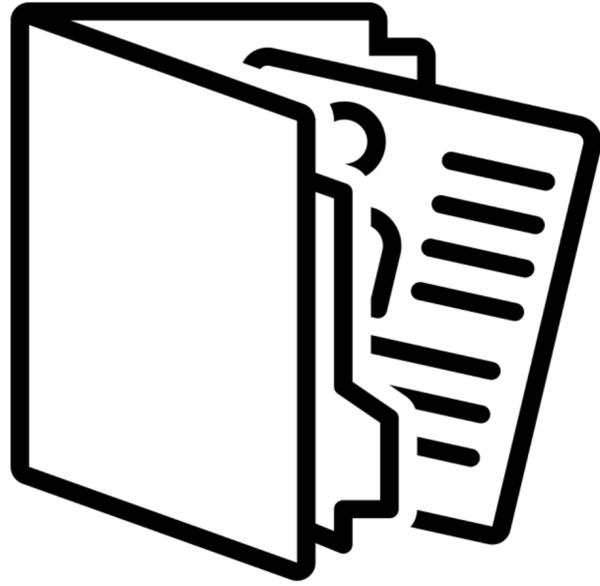
## Mixed Use Development

2023



Evanston Gateway

Source: Google Maps, City of Evanston



# Portfolio Valuation

Potential Public Asset Yield

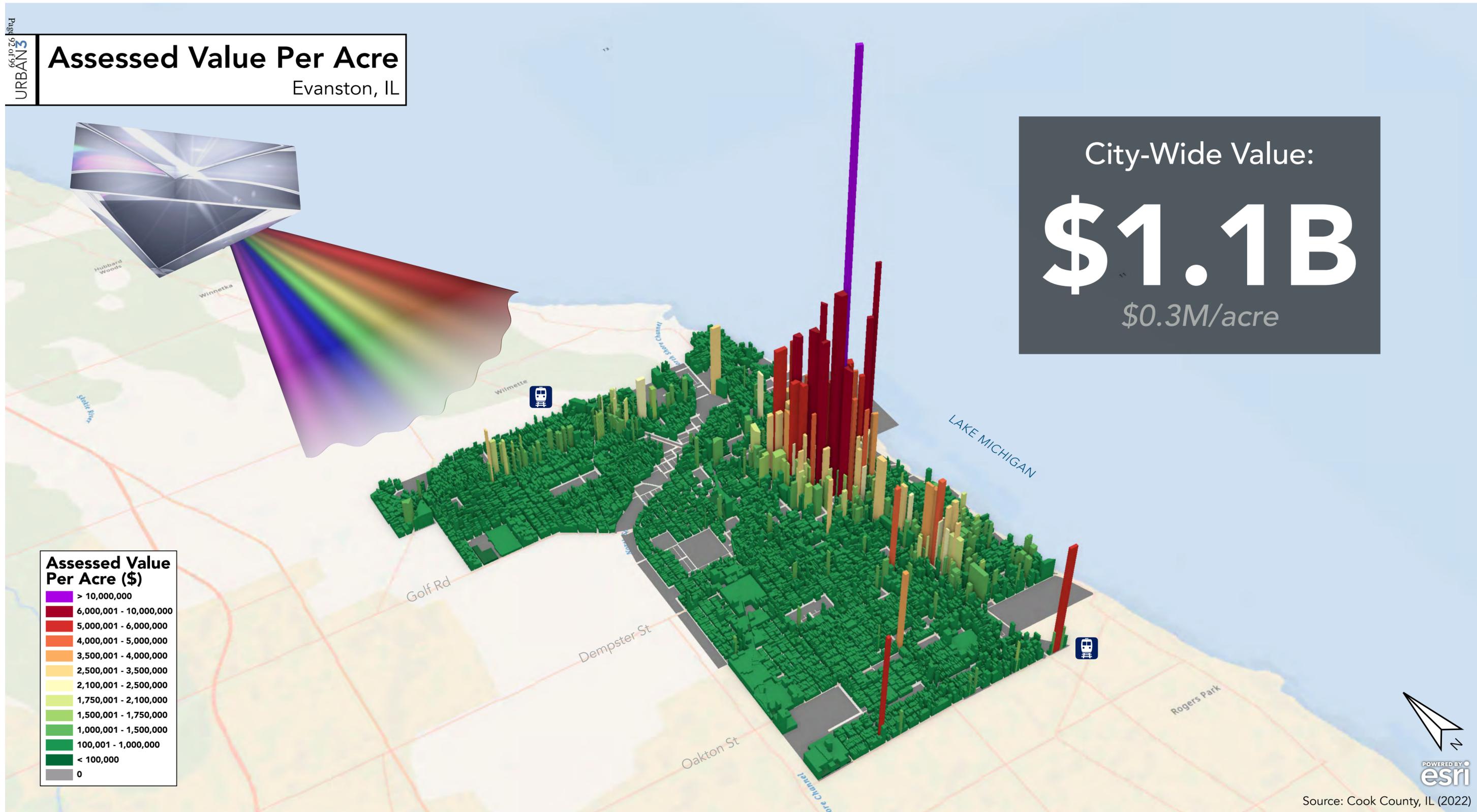
# Assessed Value Per Acre

Evanston, IL

City-Wide Value:  
**\$1.1B**  
\$0.3M/acre

**Assessed Value Per Acre (\$)**

> 10,000,000
6,000,001 - 10,000,000
5,000,001 - 6,000,000
4,000,001 - 5,000,000
3,500,001 - 4,000,000
2,500,001 - 3,500,000
2,100,001 - 2,500,000
1,750,001 - 2,100,000
1,500,001 - 1,750,000
1,000,001 - 1,500,000
100,001 - 1,000,000
< 100,000
0



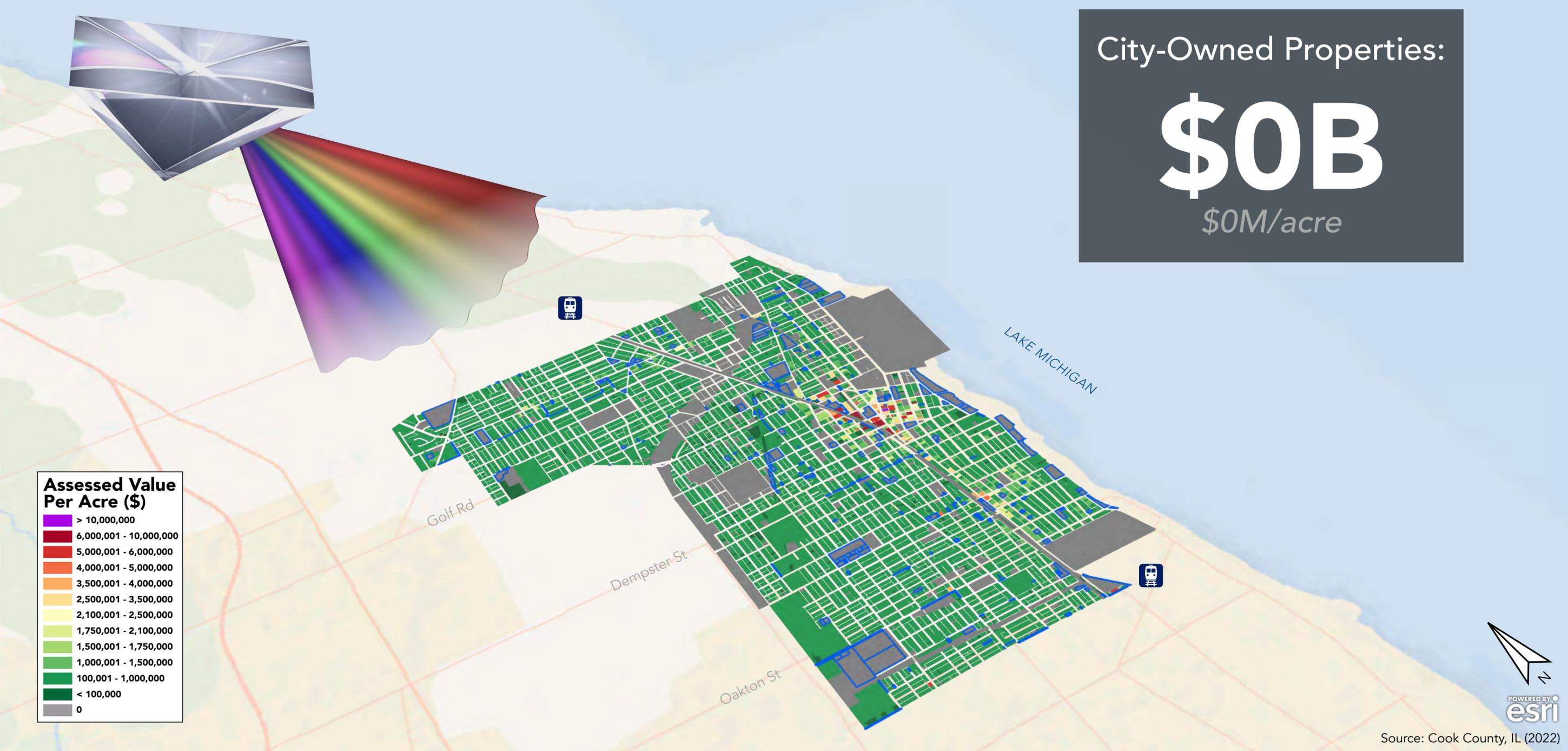
Source: Cook County, IL (2022)



# Assessed Value Per Acre

Evanston, IL

City-Owned Properties:  
**\$0B**  
\$0M/acre



**Assessed Value Per Acre (\$)**

> 10,000,000
6,000,001 - 10,000,000
5,000,001 - 6,000,000
4,000,001 - 5,000,000
3,500,001 - 4,000,000
2,500,001 - 3,500,000
2,100,001 - 2,500,000
1,750,001 - 2,100,000
1,500,001 - 1,750,000
1,000,001 - 1,500,000
100,001 - 1,000,000
< 100,000
0



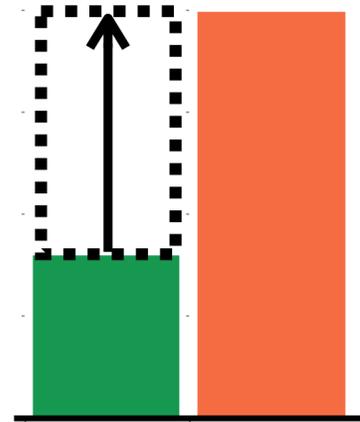
POWERED BY  
**esri**

Source: Cook County, IL (2022)

# Defining 4 Analysis Scenarios

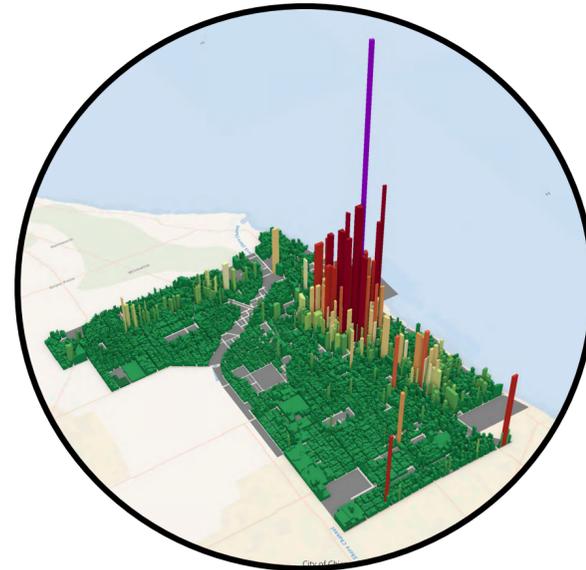
Evanston, IL

## Land Scenario



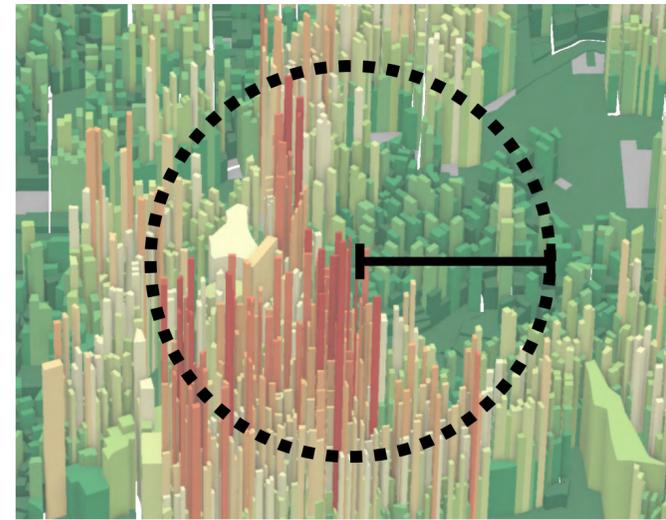
*Parcel's land value enhanced to match average of city-wide land value*

## Generalized Scenario



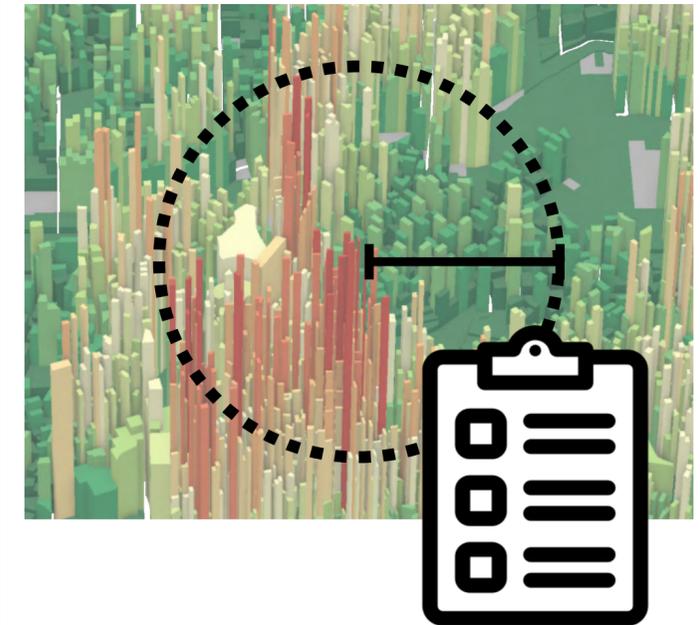
*City-wide average Value Per Acre*

## Neighborhood Scenario



*Average Value Per Acre of parcels in 500 foot radius*

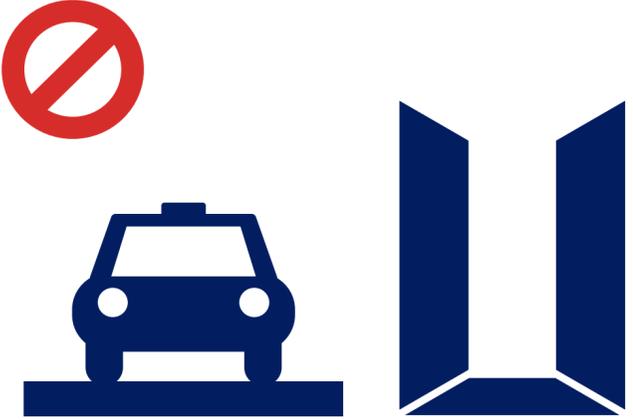
## Refined Scenario



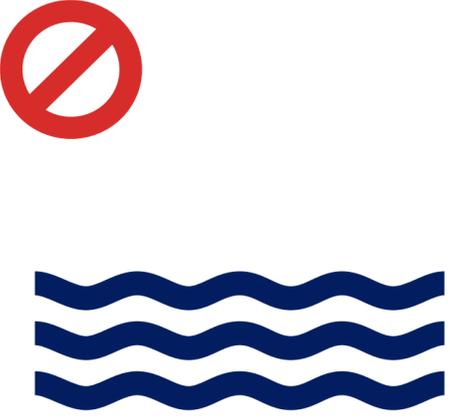
*Property characteristics incorporated into Neighborhood Scenario*

# Important Factors in the Refined Scenario

Evanston, IL



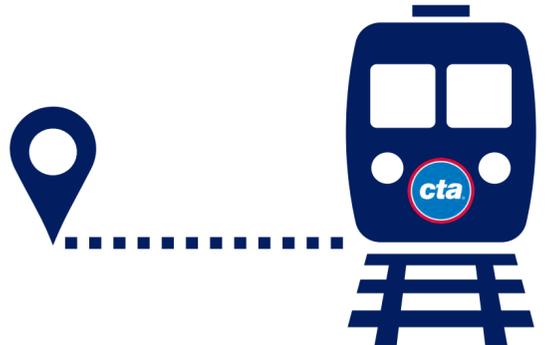
*No roadways or alleys*



*Not a flood zone*



*Existing building footprint*



*Proximity to CTA transit*



*Proximity to school district property*



*Zoning*



**Example Using the Refined Scenario**  
Evanston, IL

**Lorraine H. Morton Civic Center**

Local Transit Station

0.3 miles away



Local Transit Station

0.4 miles away

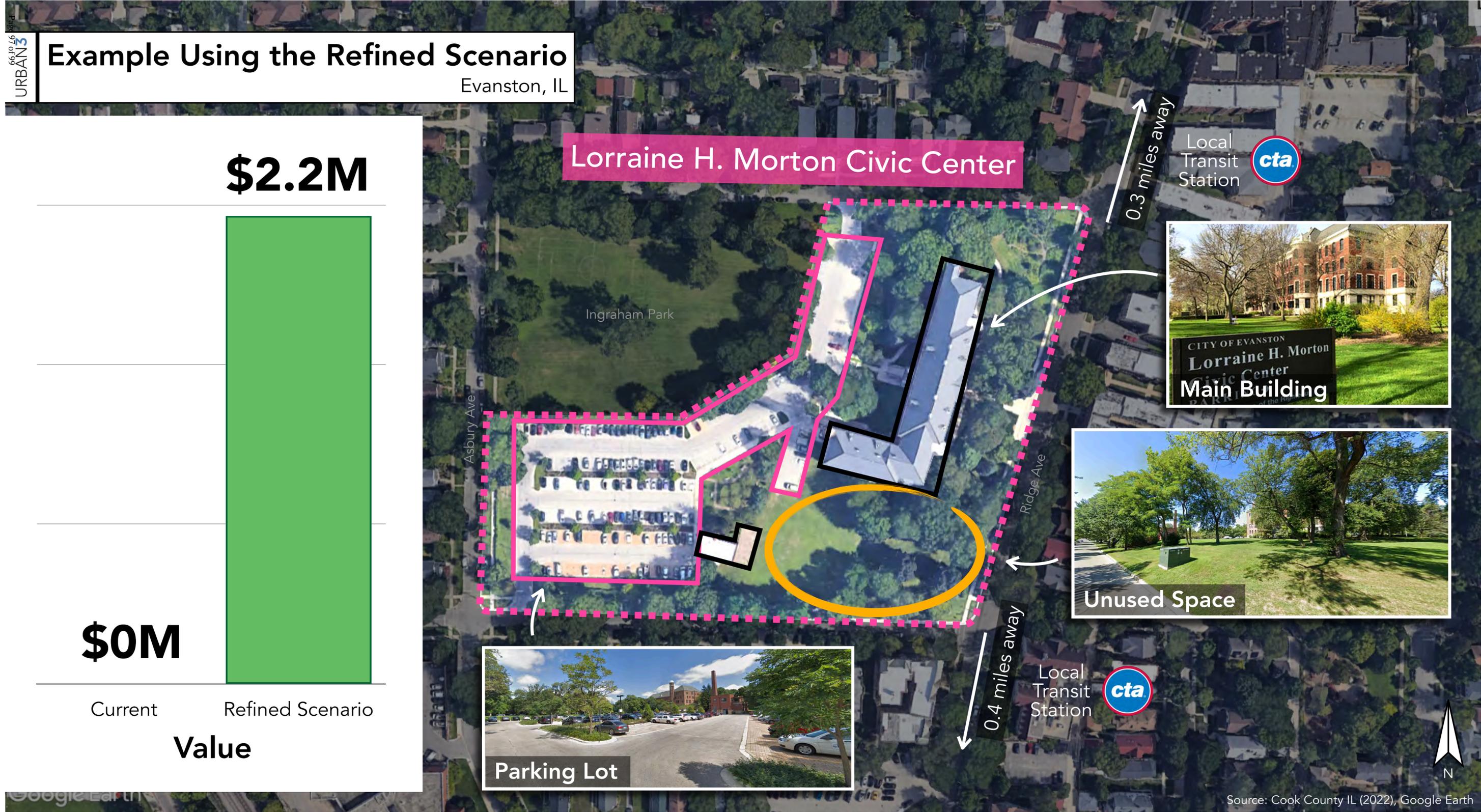


Google Earth

Source: Cook County IL (2022), Google Earth



URBAN3  
66.10.96

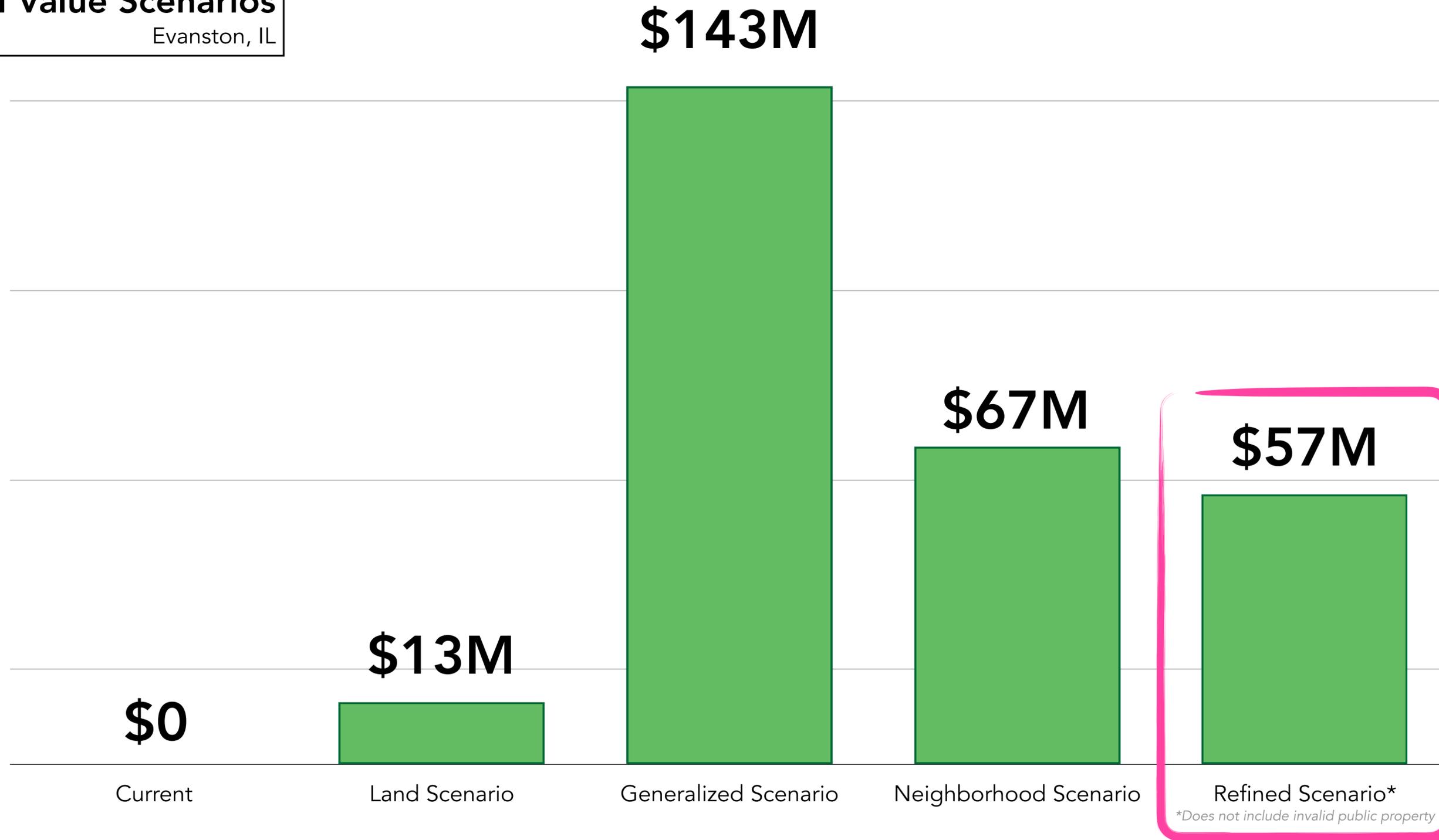


URBAN3

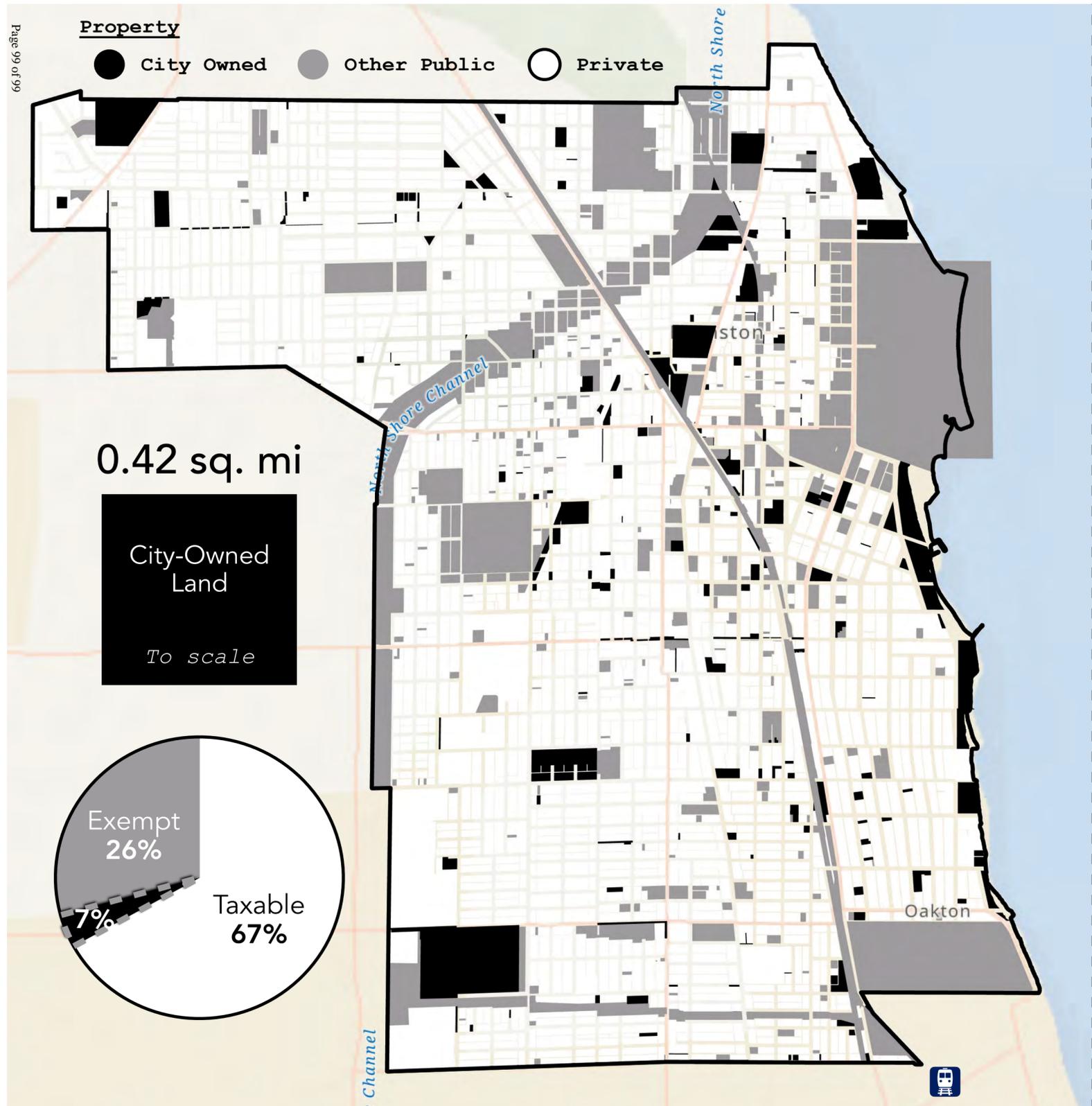


# Total Value Scenarios

Evanston, IL



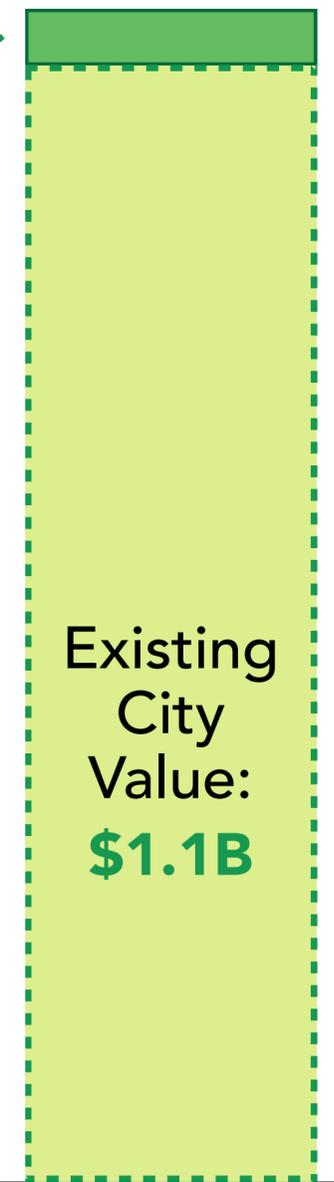
Source: Cook County, IL (2022)



**Overall Value in City**  
Evanston, IL

URBAN3

Added Value:  
**\$57M**



Refined Scenario



Source: Cook County, IL (2022)

**Innovative Finance and Asset Concession Grant Program Cooperative Agreement**

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## COOPERATIVE AGREEMENT TERMS AND CONDITIONS

This Cooperative Agreement (Agreement) funds and sets out the terms and conditions (Provisions) governing a collaborative effort between the Department of Transportation (DOT) and **City of Evanston** (Recipient) for project, **Capacity Building to Support Transit-Oriented Development**.

This is a cost reimbursement Cooperative Agreement. The responsibility for conducting activities under this Agreement lies primarily with the organization named in this Agreement (Recipient). DOT, through its designated representatives, shall consult and coordinate in the conduct of the activities performed during the period of this Agreement. By signing the signature page, the Recipient accepts the terms and conditions, as stated.

### APPLICABLE AUTHORITIES

Unless otherwise noted, this Agreement incorporates the provisions from DOT's Notice of Funding Opportunity (NOFO) for the **Innovative Finance and Asset Concession Grant Program (IFACGP or the Program)** for the Fiscal Years 2022, 2023 and 2024, the Recipient's federal assistance application submitted in response to the NOFO, and the documents submitted to DOT to execute this Agreement.

This Agreement requires the Recipient to comply with the applicable requirements of part 200 of Title II of the Code of Federal Regulations (2 CFR part 200) and the DOT's implementation of those requirements at 2 CFR part 1201. Program Evaluation is encouraged for grant recipients and subrecipients, however is not required.

### ADDITIONAL AUTHORITIES

The authority for funding this Agreement incorporates Public Law No. 117-58, the Consolidated Appropriations Act, 2022, Section 71001 of the Infrastructure Investment and Jobs Act (Pub. L. 117-58)

## SUBPART A. GENERAL PROVISIONS

**The purpose and scope of this Agreement is to facilitate and evaluate public-private partnerships in which the private sector partner could assume a greater role in project planning, development, financing, construction, maintenance, and operation, including by assisting eligible entities in entering into Asset Concessions consistent with the Budget Details of the award and the eligible activities and requirements outlined in the NOFO through technical assistance or expert services, as amended by this Agreement.** All activities, services, and products completed under this Agreement must align with this general scope and purpose. The Recipient is expected to implement the project via a proposal and quarterly reporting, which require collaboration with and approval by DOT's Grant Management Specialist (GMS) and DOT's Grant Technical Advisor (GTA). Approved work products are incorporated by reference in this Agreement. The award must not be used in the implementation of any other matters not set forth in this Agreement, except as may be reasonably related or incidental to the implementation of the purpose and scope of this Agreement.

## **Definitions**

This Agreement applies and incorporates the same meaning of terms, defined directly, or incorporated by reference, in the NOFO and at 2 CFR 200.1, unless otherwise specified within the applicable and additional authorities (above) or within these Provisions.

## **Order of Precedence**

In the event of an inconsistency in the provision or execution of this Agreement, the following order of precedence applies: (a) applicable Federal laws and regulations, (b) these Provisions, and (c) work products approved by DOT.

## **Flow Down Requirement**

The Recipient is legally and financially responsible for all aspects of the activities funded under this Agreement, including funds provided to contractors (including consultants) and subrecipients as referenced in 2 CFR 200.332. Further, as required by 2 CFR 200.327, in all applicable contracts, the Recipient must include and require compliance with the provisions at Appendix II of 2 CFR part 200.

## **Period of Performance**

The Period of Performance (POP) for this Agreement is included on the award document signature page. Performance period extensions shall be made consistent with 2 CFR 200.308 and 2 CFR 200.309.

## **Contracting**

Prior approval of all contracting services will be required in coordination with DOT's Grant Program Manager (GPM), along with final GPM approval. Procurements for and contracts with grantee-contracted advisors procured for this award must comply with the requirements set forth in the 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; also refer to contractor determinations in 2 CFR 200.331.

## **Budget**

DOT's financial obligations to the Recipient will not exceed the amount of federal funding awarded to date, as reflected on the signature page of this agreement. DOT is not liable for any costs the Recipient incurs in anticipation of receiving additional funds from DOT or any costs the Recipient incurs in a manner inconsistent with the terms of this Agreement.

## **Budget Period**

The budget period for the award is 36 months in length beginning on the start date of the performance period. The Recipient is authorized to expend funds awarded based on DOT-approved work products. Requested budget period extensions for both the award and the work product must be made consistent with 2 CFR 200.308.

## **Cost Sharing or Matching Funds**

The maximum value of cooperative agreements is \$2 million. Cooperative agreements of up to \$1 million are offered at 100 percent federal share (no required non-federal match). Amounts in excess of \$1 million are offered at 50 percent federal share (50 percent required non-federal match). For example, a cooperative agreement of \$2 million in federal aid would be matched by \$1 million of non-federal funds, supporting a \$3 million effort.

## **Direct Assistance**

If the Proposed Activities include direct assistance for an Asset Concession, the following conditions apply:

(1) the Asset Concession shall not prohibit, discourage, or make it more difficult for a Recipient to construct new infrastructure, to provide or expand transportation services, or to manage associated infrastructure in publicly beneficial ways, along a transportation corridor or in the proximity of a transportation facility that was a part of the Asset Concession;

(2) the Recipient shall have adopted binding rules to publish all major business terms of the proposed Asset Concession not later than the date that is 30 days before entering into the Asset Concession, to enable public review, including a certification of public interest based on the results of an assessment under subparagraph (4);

(3) the Asset Concession shall not result in displacement, job loss, or wage reduction for the existing workforce of the Recipient or other public entities;

(4) the Recipient or the concessionaire shall carry out a value-for-money analysis, or similar assessment, to compare the aggregate costs and benefits to the Recipient of the Asset Concession against alternative options to determine whether the Asset Concession generates additional public benefits and serves the public interest;

(5) the full amount of any Asset Concession payment received by the Recipient under the Asset Concession, less any amount paid for transaction costs relating to the Asset Concession, shall be used to pay infrastructure costs of the Recipient; and

(6) the terms of the Asset Concession shall not result in any increase in costs under the asset concession being shifted to taxpayers the annual household income of whom is less than \$400,000 per year, including through taxes, user fees, tolls, or any other measure, for use of an approved infrastructure asset.

(7) Not later than three years after the date on which a Recipient enters into an Asset Concession as a result of a grant under this section—

i. the Recipient shall hire an independent auditor to evaluate the performance of the concessionaire based on the requirements described in subparagraphs (a) through (f); and

ii. the independent auditor shall submit to the Recipient, and make publicly available, a report describing the results of the audit under subparagraph (i).

## **Role of the Recipient**

The Recipient must:

- (1) Comply with the terms and conditions of this Agreement;
- (2) Collaborate with DOT staff in implementation and monitoring of the project, including identifying specific metrics and deliverables within the first 90 days of Period of Performance;
- (3) Comply with IFACGP deliverable table below:

Deliverable	Approximate Due Date	Section 508 Compliant?
<p><b>Kick-off Meeting</b></p> <p>Conduct a kick-off meeting with USDOT at a mutually-agreed-upon location.</p>	<p>Within 4 weeks of Period of Performance Start Date</p>	<p>No</p>
<p><b>Reporting &amp; Meeting</b></p> <p>Submit semi-annual Program performance reports using the Performance Progress (SF-PPR) and quarterly Federal Financial (SF-425) reports to document activities performed, anticipated activities, progress toward meeting performance goals and metrics, and any changes to schedule or anticipated issues.</p> <p>Quarterly meetings or as needed to discuss the report and project status will be coordinated and scheduled by the Grant Technical Advisor.</p> <p>For grants with asset scanning activities, provide asset information including, but not limited to, asset description, current use, potential zoning uses, objectives for the asset, any known environmental, technical, or financial issues, and market analysis to be shared by DOT with private entities for potential project analysis, business plan development, and contact information to share proposals with potential project sponsors.</p>	<p>Semi-Annual Program Performance Report in accordance with Fiscal Year schedule</p> <p>Quarterly Federal Financial Reports in accordance with Fiscal Year schedule</p> <p>Asset Information at completion of asset scan activities</p>	<p>Yes</p>
<p><b>Project Management Plan</b></p> <p>The Recipient shall submit to USDOT’s GTA for approval a Project Management Plan, which shall include, at a minimum:</p> <ul style="list-style-type: none"> <li>a) A <b>Statement of Work</b>, with a description of <b>Tasks and Sub-Tasks</b> by which the project work activities will be organized, executed, and monitored;</li> <li>a) A <b>Project Schedule</b> (Gantt Chart or equivalent) displaying begin and end times for each Task and Sub-Task, plus achievement of Project Milestones;</li> <li>b) A <b>Project Budget</b>, displaying planned expenditures for each Task, with a further breakdown by Cost Element for each Task, and by the federal share vs. non-federal share, if applicable.</li> <li>c) A description of major <b>Project Milestones</b>, including key Reports, start of operations of important systems or subsystems, and other important deliverables or events;</li> <li>d) A <b>Risk Management Plan</b>, which includes identification and assessment and of all known risks, assignment of risk roles and responsibilities, processes for monitoring and controlling risks, and a risk registry;</li> </ul>	<p>Within 45 days of Period of Performance Start Date</p>	<p>No</p>
<p><b>Annual Report</b></p> <p>Submit a report to the Build America Bureau that describes the findings and effectiveness of the program. The specific format and contents of this report shall be discussed during the kickoff meeting and approved by the Agreement Officer Representative (AOR).</p>	<p>On the anniversary date of Period of Performance start and annually thereafter</p>	<p>Yes</p>

### **Role of DOT's Grant Program Director (GPD)**

The GPD is the DOT official authorized to execute and/or administer this award. The GPD is identified as the DOT official on the award document. The GPD is responsible for approving awards and amendments that obligate or de-obligate funds, suspending and terminating awards, and performing other responsibilities that are set forth in this Agreement.

### **Role of DOT's Grant Program Manager (GPM)**

The GPM is responsible for oversight of the Grant Management Team (GTA & GMS) activities to include but not limited to, all financial and administrative aspects of the award and all business management aspects of the award.

### **Role of DOT's Grant Technical Advisor (GTA)**

The GTA will have overall responsibility for monitoring the conduct and progress of the project, including conducting site visits, and reviewing financial and performance reports with the Grant Management Specialist (GMS) and other appropriate DOT staff. The GTA will provide substantial input, in collaboration with both the Recipient and DOT subject matter experts, in the planning and implementation of work products approved by the Grant Team. The GTA will provide written recommendations to the Grant Team regarding work product approval and performance period extensions. Also, the GTA will participate in the acceptance and publication of work products and materials, to make them available to the public.

### **Role of DOT's Grant Management Specialist (GMS)**

The GMS is responsible for all financial and administrative aspects of the award. The GMS will also assist the GTA in monitoring the conduct and progress of the project, including conducting site visits, and reviewing financial and performance reports. Further, the GMS will ensure that the award is operated in compliance with this Agreement. Questions concerning the applicability of regulations and policies to this Agreement, and all requests for required prior approvals, such as requests for permission to expend funds for certain items, should be directed to the GMS. Required approvals, including work product approvals, must be provided in writing to the Grant Team to include: GPD, GPM, GTA, & GMS. The GMS will be responsible for communicating the required approvals.

### **Degree of DOT Involvement**

The DOT anticipates substantial Federal involvement with the Recipient during performance period of this project. The anticipated Federal involvement will include:

- Review of deliverables as defined by the proposal from the Recipient
- Reviewing draft project documents and plans for approval and comment
- Reviewing semi-annual performance reports and final reports from the Recipient
- Convening quarterly meetings with the recipient to review project activities, schedule, and progress toward the scope of work
- Identifying relevant federal technical assistance programs aligned with the IFACGP efforts to share with grantee as additional funding, finance, and technical assistance opportunities.
- Assigning federal agency staff to serve as liaisons with grantee.
- Reviewing and approving changes in key personnel or scope changes
- Oversight of ongoing compliance with applicable federal regulations
- Budget oversight, including reviewing and reimbursing monthly invoices for incurred costs and receiving notification when budgets are 50% and 90% expended.

**Monitoring and Reporting Requirements**

- (1) **Requirements.** This Agreement incorporates the reporting requirements of 2 CFR 200.512 (Report submission), 2 CFR 200.328 (Financial reporting), 2 CFR 200.329 (Monitoring and reporting program performance), and 2 CFR 200.330 (Reporting on real property). Accordingly, the reporting frequencies are identified below. DOT may adjust these frequencies to respond to award management deficiencies or to implement requirements of the applicable authorities. Failure to comply with these reporting requirements is considered a material noncompliance.

Reporting Requirements for Recipients	Frequency
Project Management Reporting <ul style="list-style-type: none"> <li>• Performance Report</li> <li>• Financial Report (SF-425)</li> </ul>	SA Q
Closeout Reporting <ul style="list-style-type: none"> <li>• Final Performance Report</li> <li>• Final Property Report (SF-428 &amp; SF-428B)</li> </ul>	F F
Other Reporting (where applicable) <ul style="list-style-type: none"> <li>• Intellectual Property Report</li> <li>• Invention Report</li> <li>• Equipment/Property Report (SF-428)</li> <li>• Annual Financial Statement Audit (not the same as a Single Audit)</li> </ul>	A Y Y RA
A – Within a week after the event F – Final; within 120 calendar days after the performance period or termination of this Agreement, whichever is first. Q – Quarterly; within the 30 days following the end of the Federal fiscal year quarters SA – Semi-Annually; within the 30 days following the end of two Federal fiscal year quarters Y – Yearly; within 90 calendar days after the end of the annual report period RA - Within 30 calendar days after receipt of the auditor’s report(s), or nine months after the end of the audit period.	

- (2) **Performance reporting.** The Recipient will include the requirements of the “Performance Goals and Measurements” provision, of this Agreement, in its work products and track for inclusion in its performance report for each work product.
- (3) **Submission to DOT.** The Recipient must submit reports to both the GTA and GMS, in a manner directed by DOT and provided guidance in Attachment 1.
- (4) **Restrictions.** Reports submitted in non-DOT systems must not contain any Protected Personal Identifiable Information (PII), limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release.

**Site Visits and Desk Review**

DOT may perform site visits and desk reviews as per 2 CFR 200.329(f), to monitor project progress, and to ensure full accountability for Federal funds and compliance with this Agreement.

## Unauthorized Promotion or Endorsement of Goods or Services

While receiving technical assistance, the Recipient or any of its personnel will not sell or promote its own or any other products or services. Neither the Recipient nor its personnel must neither imply that DOT endorses any product or service produced by non-DOT funding, nor use the name of DOT or any division of DOT to sell any product or service. For funding jointly administered by DOT and another Federal agency, the Recipient provides the same assurances to both agencies.

## Work Products

- (1) **Sharing Work Products.** The Recipient agrees to make available to the public the work products produced under this Agreement. Work products include studies, plans, market analyses, estimates, schedules, agreements, asset information, public outreach materials, performance reports, audits and any other documents produced while effectuating the purpose of this Agreement. Work products will be made publicly available in a manner and location determined by DOT.
- (2) **Draft and Final Products.** The GTA and GMS may review and will accept or deny draft and final products. The Recipient must submit to the GTA and the GMS draft and final products developed under this Agreement. DOT will determine the manner in which products are submitted. Deliverables, quotations therefrom, paraphrasing, and disclosures of draft or interim findings must not be published by the Recipient or other participants in the work without DOT approval. In addition, except for open-source code, DOT reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work products, in whole or in part (including creating derivative works), for federal government purposes and to authorize others to do so, DOT's license applies to: (1) the copyright in any work developed under this award, sub-award, or contract awarded under this cooperative agreement; and (2) any rights of copyright to which the Recipient or its personnel, including contractors, purchases ownership with award funds from this Agreement. In addition, DOT may make any work that was developed under this Agreement publicly available by any means without restriction, including on a DOT website, or social media account, as a hard copy, or in electronic form. DOT also reserves the right, at its discretion, not to publish deliverables and other materials (e.g., reports, publications, manuals, and training curricula) developed under this cooperative agreement as DOT resources.
- (3) **Acknowledgment of Support.** Products, including tools, publications, training materials, and online resources (material), developed under this Agreement, may include the DOT's logo, provided the GMS has approved the products and provides written permission to use the DOT logo. In addition, the Recipient must include the following acknowledgment and disclaimer on all products unless another version is authorized:

“This material is based upon work supported, in whole or in part, by Federal award number [insert award number] awarded to [name of Recipient] by the U.S. Department of Transportation.”

The substance and findings of the work are dedicated to the public. Neither the United States Government nor any of its employees make any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately-owned rights. Reference herein to any individuals, agencies, companies, products, process, services, service by trade name, trademark, manufacturer, or otherwise does not constitute or imply an endorsement, recommendation, or favoring by the author(s), contributor(s), the U.S.

Government, or any agency thereof. Opinions contained herein are those of the author(s) and do not necessarily reflect the official position of, or a position that is endorsed by, DOT or any Federal agency.

## **News Releases**

All press releases or public issuances made during the performance period for this Agreement must be reviewed and approved by DOT before release.

## **Property Standards**

The property standards at 2 CFR 200.310 through 200.316, as modified by 2 CFR 1201.313, apply to this Agreement and set forth the requirements for insurance coverage, real property, equipment, supplies, intangible property, and other property.

## **Intangible Property**

- (1) This Agreement incorporates the requirements of 2 CFR 200.315.
- (2) DOT will not retain exclusive rights to technical data, software, and analytic code previously developed by the Recipient or its personnel and used in the performance of work supported by this award. Computer software and “open-source” code available to the public prior to the work of this award may remain in the public domain.

## **Computer Software**

- (1) Software, especially computer software used for online products, must be commercially available off-the-shelf.
- (2) Requests for exceptions to computer software standards must be submitted in writing to DOT.

## **Record Retention and Access to Records Monitoring**

This Agreement incorporates the requirements at:

- 200.334 Retention requirements for records.
- 200.335 Requests for transfer of records.
- 200.336 Methods for collection, transmission, and storage of information.
- 200.337 Access to records.

## **Restrictions on Public Access to Records and Privacy Act**

This Agreement incorporates the requirements of 2 CFR 200.338. In the event of improper use or disclosure of protected personally identifiable information, the Recipient agrees to immediately report the incident to the GMS.

## **Performance Goals and Measurements**

To implement 2 CFR 200.301, 2 CFR 200.329, and the applicable authorities, in collaboration with the responsible DOT parties to this Agreement, the Recipient must develop a specific performance plan based on DOT-provided performance measures. The Recipient’s performance plan must track progress and report on the effectiveness of each deliverable. The Recipient must propose, track and report project accomplishments against the following performance measures:

<b>Goal</b>	<b>Metric</b>
Goal 1: Provide benefits to the community through transportation projects.	<ul style="list-style-type: none"> <li>• Increase collaboration with the private sector during project planning</li> </ul>
Goal 2: Increase grant recipient's capacity, knowledge, and skills to execute transportation projects.	<ul style="list-style-type: none"> <li>• Hire staff and/or procure consultants to serve as advisors within six months of the project's performance period start date</li> </ul>
Goal 3: Engage, educate, and listen to the community throughout the project planning process.	<ul style="list-style-type: none"> <li>• Conduct at minimum one stakeholder outreach initiative</li> <li>• Create a best practices document based on learnings from the project</li> </ul>
Goal 4: Advance the transformational project(s) closer to delivery.	<ul style="list-style-type: none"> <li>• Complete all planned asset analyses for all existing assets</li> <li>• Provide an implementation plan or next steps for each asset at the conclusion of the project</li> </ul>

## **SUBPART B. FINANCIAL PROVISIONS**

### **Basic Considerations**

This Agreement, including the work products, incorporates the basic cost principles of 2 CFR part 200:

- 200.402 Composition of costs.
- 200.403 Factors affecting allowability of costs.
- 200.404 Reasonable costs.
- 200.405 Allocable costs.
- 200.406 Applicable credits.
- 200.407 Prior written approval (prior approval).
- 200.408 Limitation on allowance of costs.
- 200.409 Special considerations.
- 200.410 Collection of unallowable costs.
- 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs.

Failure to provide adequate supporting documentation may result in a determination by DOT that those costs are unallowable.

### **Labor Rates**

This Agreement incorporates the labor rate submitted in the recipient's cost estimate. These rates are used for the purposes of determining reasonableness of direct labor costs, in accordance with 2 CFR part 200, including 2 CFR 200.404. All direct labor costs charged to this award require DOT approval, unless otherwise authorized by the GMS.

## Indirect Costs

- (1) This Agreement incorporates the requirements of 2 CFR 200.414 and the NOFO.
- (2) If indirect costs are included in the budget, the Recipient must include documentation to support the indirect cost rate it is using. The Recipient is only entitled to reimbursement of indirect costs. The Recipient may use a current Federally-approved and negotiated indirect cost rate agreement with DOT concurrence. If the Recipient does not have a negotiated indirect cost rate agreement, it must submit its first indirect cost rate proposal to its cognizant federal agency for review and approval. The Recipient may elect to use, if eligible, up to 15 percent de minimis rate per 2 CFR 200.414(f).
- (3) If the Recipient is seeking reimbursement of indirect costs, the Recipient is responsible for maintaining an approved rate for the life of the award. The Recipient is required to reconcile the difference between its provisional indirect cost rate and final rate for the same year. The Recipient is not entitled to more than the unspent award amount, for underpayments.

## Pre-Award Costs

The Recipient will incur pre-award costs at its own risk, after the date of the DOT selection announcement and prior to the start date of the award performance period.

The incurrence of pre-award costs in anticipation of an award imposes no obligation on DOT either to make the award or to increase the amount of the approved budget, if the award is made for less than the amount anticipated and is inadequate to cover the pre-award costs incurred.

## Program Income

Pursuant to 2 CFR 200.307(a), any program income earned during the award period, as a result of award activities, must be added to the funds committed to the award and used to further eligible activities supported by this Agreement. Program income earned after the award must be returned to the Federal government. Before using program income, any affected work product shall be revised and approved by DOT to include the use of program income.

## Profit or Fee

No increment (fee or profit) above cost may be paid to the Recipient or subrecipient under this award, except as otherwise expressly provided by law. The term “subrecipient” does not include the Recipient’s procurement of goods and services, such as maintenance contracts for equipment or facilities, contracts for communication services, etc.

## Federal Payment

- (1) **Payment Method.** Payment by reimbursement is the only payment method under this Agreement. This Agreement incorporates the payment requirements of 2 CFR 200.305. The Debt Collection Improvement Act of 1996 requires payment be made by electronic funds transfer. Electronic transfer shall be made from DOT’s Delphi system to the Recipient’s bank account on file with DOT. DOT will reimburse labor and direct costs incurred by the Recipient, including subcontractors. See attachment 3 for billing requirements.
- (2) **Labor and Direct Costs.** DOT will reimburse labor and direct costs incurred by the Recipient, including subcontractors. Recipient should maintain a system for recording all project costs. Invoices may be transmitted to DOT monthly.

- (3) **Reimbursement Limitation.** DOT financial obligations to the Recipient are limited by the amount of federal funding awarded to date as reflected on the award document. If the Recipient incurs costs in anticipation of receiving additional funds from DOT, it does so at its own risk.
- (4) **Timing of Submittals.** Invoices should be transmitted to DOT monthly with a completed SF270, all corresponding invoices, and timesheets.
- (5) **Payment approval.** Consistent with 2 CFR 200.305(b)(3), DOT will determine approval of payment requests submitted through Delphi as soon as practical, but not later than 30 days after the Recipient's request is received, unless the billing is improper, or an extenuating circumstance requires additional DOT time to approve a payment request.
- (6) **Unauthorized Drawdown of Federal Funds.** The Recipient must immediately refund DOT any amounts drawn down in excess of the authorized amounts. The Recipient and subrecipients shall promptly, but at least quarterly, remit to DOT interest earned on advances drawn in excess of disbursement needs and shall comply with the procedure for remitting interest earned to the Federal government per 2 CFR 200.305, as applicable. The GPD, in collaboration with the Technical Assistance Division, will determine the appropriate refund method.

### **Financial Management and Internal Controls**

This Agreement incorporates the financial management systems requirements in 2 CFR 200.302, and internal controls set forth in 2 CFR 200.303.

### **Audit**

- (1) **Single or Program-Specific Audits.** This Agreement incorporates the audit requirements of 2 CFR 200.501, 2 CFR 200.514 and 2 CFR 200.507.  
DOT may require the Recipient to complete a Program-Specific Audit in accordance with 2 CFR 200.507. Audits must be guided by Appendix XI of 2 CFR part 200.
- (2) **Financial Statement Audit Required.** DOT may require the Recipient to have an annual financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).
- (3) Audits must be submitted in a manner either described at 2 CFR 200 Subpart F or reference in this Agreement, within 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. This requirement applies to all Recipients, including commercial and not-for-profit organizations.
- (4) Failure to comply with these audit requirements is considered material noncompliance.
- (5) DOT will reimburse the Recipient for eligible costs associated with audits allowed by this Agreement as indicated within the Recipient's award budget.

### **Transportation and Travel**

This Agreement incorporates the requirements of 2 CFR 200.475. All travel activities require prior approval from the GMS, as per 2 CFR 200.407.

## **SUBPART C. MISCELLANEOUS PROVISIONS**

### **Administrative, National and Department Policy Requirements**

The Recipient hereby agrees that, as a condition of receiving any Federal financial assistance under this agreement, it will certify that it will comply with the assurances listed in Attachment 4 of this agreement. The Recipient must sign each of the assurances located in Attachment 4. The assurances attached cover the following:

- Certification regarding debarment, suspension, and other responsibility matters
- Requirements regarding delinquent tax liability or a felony conviction under any federal law
- Recipient policy to ban text messaging while driving - DOT Order 3902.10
- Certification regarding drug-free work-place requirements
- Compliance with the Trafficking Victims Protection Act (TVPA) of 2000 and implementing regulations in 2 CFR 175
- Lobbying and 49 CFR 20

### **Prior Written Approvals**

The Agreement incorporates and applies the prior approval requirements of 2 CFR 200.407 to the entire project, including changes to the award and the associated work product. The Recipient must comply with 2 CFR 200.407 before incurring certain costs under the award, including costs incurred pursuant to a work plan.

### **Key Personnel**

**Definition.** “Personnel” means employees of the Recipient, or any contractor(s), or team members, and consultants engaged by any of those entities.

The key personnel specified in the Recipient’s application are considered essential to the work being performed under this Agreement. Any change to the key personnel assigned to a work product or included in the Recipient’s application is considered a revision of program plans and requires compliance with 2 CFR 200.407 and advance written notice to and approval by the GPM. The notice must include a revised application along with a justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the award or work product.

### **Procurement**

The Recipient’s process for acquiring goods and services under this award must comply with 2 CFR 200.317 through 200.327, as modified by 2 CFR 1201.317. Agreements executed by the Recipient must comply with this Agreement, as applicable, and include the contract provisions set forth in Appendix II to 2 CFR part 200, as applicable to the contract. The recipient will need to submit specific procurement documents for review prior to the entering into agreements with contractors and consultants. The documents include but are not limited to solicitations, specifications, contract agreements and any other document requested by DOT.

### **Subawards**

The use of sub-awards is subject to the specific written, prior approval of DOT. Any subaward made by a Recipient must comply with the requirements in 2 CFR 200.331- 200.333. When making subawards, the Recipient must comply with the reporting requirements of 2 CFR 170. This requirement provides

guidelines for reporting of information on subawards and executive total compensation, as required by the Federal Funding Accountability and Transparency Act of 2006.

### **In-Person Conferences, Trainings, and Other Events**

This Agreement incorporates the requirements of 2 CFR 200.432, including the regulations referenced in the same section, and the related DOT standards.

### **System of Award Management and Unique Entity Identifier Requirements**

This Agreement incorporates the requirements of 2 CFR part 25, including Appendix A to part 25, which includes the requirement for the Recipient to maintain an active registration in the System of Award Management ([www.sam.gov](http://www.sam.gov)). An active SAM registration with the unique entity identifier (UEI) is required until the Recipient submits its final financial report or receives the final payment under this Agreement, whichever is later. The Recipient may not make a subaward to any entity that has not provided its unique entity identifier number.

### **Remedies for Noncompliance**

This Agreement incorporates the remedies for noncompliance included at:

- 200.339 Remedies for noncompliance.
- 200.340 Termination.
- 200.341 Notification of termination requirement.
- 200.342 Opportunities to object, hearings and appeals.
- 200.343 Effects of suspension and termination.

### **Objections, Hearings and Appeals**

The Recipient may object to any remedy for noncompliance as outlined in 2 CFR 200.342, the Recipient may submit written objections or appeals to DOT via email, within 60 days of an initial DOT decision. A decision from the GPD or the appropriate DOT senior executive official shall be the final decision of DOT.

### **Suspension of Agreement**

DOT may suspend this Cooperative Agreement by giving written notice of this suspension to the **City of Evanston**, instructing the Recipient not to incur additional obligations, or disburse funds, pending the Recipient's action to correct violations of the terms and conditions of this Cooperative Agreement.

Failure by **City of Evanston** to take the corrective actions specified in the Notice of Suspension within thirty (30) days of receipt of said notice may result in termination of this Cooperative Agreement.

### **Termination of Agreement**

The provisions for termination of this agreement are outlined in 2 CFR 200.340. DOT may terminate this agreement if the Recipient fails to comply with the terms and conditions of this agreement. DOT may also terminate this agreement if the agreement no longer effectuates the program goals or agency priorities. The Recipient may terminate this agreement upon sending to DOT written notification setting forth the reasons for such termination.

### **Termination/Expiration of Agreement Procedures**

DOT may provide additional time and/or resources to closeout upon expiration or termination of this Cooperative Agreement. The Recipient must provide DOT a written report detailing all open business within five (5) days of expiration or termination of this Cooperative Agreement.

### **Non-Discrimination**

The Recipient hereby agrees that, as a condition of receiving any Federal financial assistance under this agreement, it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. § 2000d), related nondiscrimination statutes (i.e., 23 U.S.C. § 324, Section 504 of the Rehabilitation Act of 1973 as amended, and the Age Discrimination Act of 1975), and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, sex, handicap, or age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which The Recipient receives Federal financial assistance.

The specific requirements of the Department of Transportation Civil Rights assurances (required by 49 C.F.R. §§ 21.7 and 27.9) are incorporated in the agreement and are located in Attachment 5. The assurances in Attachment 4 must be executed and signed by the recipient with a separate signature in addition to the recipient's signature for this agreement.

### **Closeout**

This Agreement incorporates the requirements of 2 CFR 200.344. DOT will initiate the administrative closeout of the cooperative agreement after receiving evidence that all technical work and administrative requirements have been completed. The Recipient shall furnish all required documents in support of the closeout of the cooperative agreement within the timeframes requested by the Government. The anticipated timeframe to complete administrative closeout of the cooperative agreement will not exceed six (6) months.

### **After-the-Award Requirements**

This Agreement incorporates the requirements of 2 CFR 200.345 and 2 CFR 200.346 for post-closeout adjustments and the collection of amounts due.

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**ENTIRE AGREEMENT**

This document embodies the entire Agreement between **City of Evanston** and the DOT. This Cooperative Agreement may be amended, altered, or any of its provisions waived only in writing and signed by both parties. **The agreement will become effective when all parties have signed. The effective date of this agreement will be the date this agreement is signed by the last party.**

**PARTIES EXECUTING THIS COOPERATIVE AGREEMENT**

**Federal Award and Obligation Amount: \$985,000.00**

**Non-Federal Match Amount: \$ 0.00**

**Period of Performance: February 3, 2025 - February 2, 2028**

This Cooperative Agreement is entered on this day \_\_\_\_\_ of \_\_\_\_\_ by the United States Department of Transportation, Build America Bureau, District of Columbia.

By: \_\_\_\_\_  
Duane Callender, Acting Executive Director  
Build America Bureau  
U.S. Department of Transportation

This Cooperative Agreement is entered by **City of Evanston**.

By: \_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_  
(month/day/year)

Title: \_\_\_\_\_

## **ATTACHMENT 1. U.S DEPARTMENT OF TRANSPORTATION CONTACT INFORMATION**

All responses to provisions of this Agreement, which require communication with DOT, should be sent using the contact information below.

E-mail: [InnovativeFinanceTA@dot.gov](mailto:InnovativeFinanceTA@dot.gov)

For regular and overnight delivery:

Innovative Finance and Asset Concession Grant  
Program  
Build America Bureau  
Department of Transportation  
1200 New Jersey Ave SE  
Washington, DC 20590

## **ATTACHMENT 2. RECORD RETENTION**

Financial Records Financial Status Reports  
Final Financial Status Report  
Requests for Reimbursements  
Copies of Audits (federal and private)  
Copies of Audit Responses  
Copies of all tax reports filled with the IRS, state, and local governments

### Deposits and Receipts

Monthly Bank Statements and Reconciliations

Written Procedures for Spending Funds

All Contracts:

Contracts with Other Groups

Consultant Contracts

Insurance Policies

Service/Maintenance Contracts

Sole Source Contract Justifications

Construction Contracts

Bid Documents

Performance Bonds

Indirect Cost Documentation

Chart of Accounts

Ledgers

Cash Disbursement Journals

Payroll Register for Each Employee

Supporting Documentation for All Expenditures:

Purchase Orders

Vouchers

Receipts

Petty Cash Vouchers

Deposit Receipt for Petty Cash Reconciliation

Travel Reimbursement (with receipts where applicable)

Time and Attendance Records

Price Quotations

Equipment Inventory Listing

### Nonprofit Parent or Sponsoring Organization Records

Articles of Incorporation

Corporate Charter with a Nonprofit Status

Constitution and By-laws

Federal Charitable Organization Designation (501(c)(3))

FICA Waiver of Exemption

List of Board Members

Monthly/Quarter/Annual Reports (whichever is applicable)

Minutes of Board Meetings

All Pertinent Correspondence Related to Work Under Award

Copy of Written Personnel Policies

Project Records

Approved Work Products

Approved Budget Narratives

Grant Award Notice

Special Conditions

Program Modification Requests

Budget Modification Requests

Award Adjustment Notices

Copies of Required Quarterly Reports (Narrative and Financial)

Copy of Close-out Documents (Narrative and Financial)

Pertinent Correspondence Related to This Award (incoming and outgoing)

Lists of Work Force/Advisory/Community Organization Meetings Related to the Performance of Work under the Award

Evaluations Conducted as Required by the Award

Letters of Appreciation

Personnel Folders:

    Resumes

Letters of Employment

    Documentation of Pay Raises

Nondisclosure Agreement(s)

### ATTACHMENT 3. BILLING REQUIREMENTS

Not more than ninety (90) days following service delivery related to each DOT-approved work products, the Recipient of this Agreement is required to submit payment requests for allowable costs incurred. Payment requested must be submitted to DOT at a frequency that is not less than once every Federal fiscal year quarter. Payment requests that are not submitted timely must include a justification for the delayed submission. Payment requests for actual costs incurred must comply with the allowable cost standards of this Agreement.

All payment requests from the Recipient must be submitted to DOT and approved by DOT using the Delphi eInvoicing system.

(1) Documentation submitted with payment requests. The following documentation must accompany any requests for payment of eligible technical assistance services provided:

- (a) The voucher number, cooperative agreement award number, funding source, and work product plan number or name. A single voucher must include costs for work product under the same award; a voucher must not include work product associated with different awards.
- (b) Total amount of the payment request for the voucher, the bill period, and amount by work product.
- (c) The following certification statement: “I certify that the data contained in this document, as well as any information provided in the accompanying voucher, are true, correct, actual, and that all outlays were made in accordance with the cooperative agreement conditions and applicable Regulations. I also certify that all contractors and/or consultants have certified to the same certification statements, and the certifications on file for future inspection and audit.”

(d) Program-specific documentation of actual costs, including reports from the Recipient’s financial management system, which must be supported by the documents in the Recipient’s program files. Unless exempted by 2 CFR, the Recipient must generate reports from its financial management system supporting and documenting salaries, wages, travel, and all other payments for each employee, contractor personnel, and consultant that conducted work under the subject voucher. The report(s) supporting payment requests must include:

- i. The cooperative agreement award number, funding source, and work product number or name.
- ii. Dates of the activities/actual costs by work product.
- iii. The name and position/title of each employee, contractor personnel, and consultant by work product; dates with applicable hours worked; the compensation rate attributable to the employee, contractor personnel and consultant; and travel costs by each employee, contractor personnel, and consultant. **Do not** include individuals, such as senior management or other staff, whose costs are included in the indirect cost rate calculation.
- iv. Actual activity, not estimates of activity, of each employee, contractor personnel and consultant.
- v. The federally-approved indirect cost rate used, and the total indirect costs.
- vi. If applicable, the approved G&A rate used, and the total G&A rate costs.
- vii. A cumulative amount of funds expended by work product and by the award.
- viii. A cover page with the voucher number, cooperative agreement award number, funding source, current and historic cumulative totals by work product number and by award.

(1) File documentation. In addition to the applicable record retention items included in Attachment 2 or elsewhere in this Agreement, the Recipient must maintain, at a minimum, the following documentation in its files and the documentation must be available for DOT review during an on-site monitoring visit, for submission when the Grants Team or GPD request particular documentation for remote monitoring purposes, and for submission when the GTA, GMS or GPD request particular documentation to assess payment requests from the Recipient:

(a) Documentation to support salary costs, such as timesheets signed by the responsible supervisory official having knowledge of the activities performed by the employee and by the employee, or an electronic equivalent. In signing, the supervisor and employee would be verifying that the technical assistance activities were performed and that the report is true and accurate.

(b) For direct costs, invoices/receipts to support the charge for the costs and a certification for these costs. Documentation or an electronic equivalent signed by the employee who incurred the costs indicating the expense was incurred pursuant to the subject technical assistance activities.

(c) Copies of invoices submitted by the contractor/consultant along with the contract. The invoices should include the dates of services, the hours worked attributable to the services, the rate of compensation, the nature of the services provided, an itemized list of other costs, if any, the office for which the services were performed, and the total billed amount.

(d) For contractor costs, a certification signed by the contractor who incurred the costs indicating the expense was incurred pursuant to the subject technical assistance activities.

(e) Employees' and contractors' work products and related documents, such as trip reports, minutes/notes of meetings, and collateral reports.

- Delphi eInvoicing System for DOT Financial Assistance Awardees: Subject to the requirements in 2 CFR 200, payments will be made after receipt of required modal reporting forms. Each payment request must be made electronically via the Delphi eInvoicing System.

The following are the procedures for accessing and utilizing the Delphi eInvoicing System:

I. Recipient Requirements

- a. Recipients (organization participating in Cooperative Agreement) must have internet access to register and submit payment requests through the Delphi invoicing system.
- b. Recipients must submit payment requests electronically and DOT Operating Administrations must process payment requests electronically.
- c. Recipients must submit at a minimum the required forms (SF270) and supporting documentation (receipts, itineraries, travel documentation, and event agendas) and obtain approval by the GMS prior to uploading invoices into the Delphi system for payment.
- d. All invoices must be uploaded into the Delphi system electronically by the 10<sup>th</sup> of each month if the Recipient would like to be reimbursed within the same month.

- e. All eligible expenses must be submitted to DOT within 60-days of being incurred to receive reimbursement, unless otherwise authorized by DOT. Failure to submit eligible expenses for reimbursement within 60-days may result in the disapproval of the expense reimbursement request.
- f. All invoices that have been submitted, approved, and paid will not be adjusted or recalculated by DOT staff to reimburse for miscalculated rates provided by **City of Evanston**.
- g. It is the responsibility of the Recipient to provide, calculate and invoice correctly for all internal staff salaries. Changes or adjustments will not be made once final invoices have been submitted by the recipient and paid by DOT.
- h. The Recipient shall follow the invoice/payment process for the close out of the cooperative agreement with DOT.
- i. The Recipient shall not submit request for payment for any costs accrued outside the agreement timeframe of Period of Performance.

## II. System User Requirements

- a. DOT will provide the Recipient's name and email address to the DOT Financial Management Office. The DOT will then invite the Recipient to sign up for the system.
- b. DOT will send the Recipient a form to verify the Recipient's identity. The Recipient must complete the form and present it to a Notary Public for verification.
- c. The Recipient will return the notarized form to:

DOT Enterprise Services Center  
FAA Accounts Payable, AMZ-100  
PO Box 25710  
Oklahoma City, OK 73125

- III. The DOT will validate the form and email a user ID and password to the Recipient. Recipients should contact the Operating Administration's grants office with any changes to their system information.

Note: Additional information, including access forms and training materials, can be found on the DOT eInvoicing website (<http://www.dot.gov/cfo/delphi-einvoicing-system.html>)

## **ATTACHMENT 4. U.S. DEPARTMENT OF TRANSPORTATION AND FEDERAL ASSURANCES**

### **Attachment 4.1**

#### **CERTIFICATION REGARDING DEBARMENT SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS**

#### **2 C.F.R. Parts 180 and 1200**

These assurances and certifications are applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring DOT approval or that is estimated to cost \$25,000 or more – as defined in 2 C.F.R. Parts 180 and 1200.

By signing and submitting the Technical Application and by entering into this agreement under the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program, the Recipient is providing the assurances and certifications for First Tier Participants and Lower Tier Participants in the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program, as set out below.

#### **1. Instructions for Certification – First Tier Participants:**

- a. The prospective first tier participant is providing the certification set out below.
- b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.
- c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.
- d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- e. The terms "covered transaction," "civil judgment," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 C.F.R. Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a Recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction

under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a Recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers to any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions,” provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (<https://www.sam.gov/>), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

#### **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:**

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or

agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment, including a civil settlement, rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

## **2. Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior DOT approval or estimated to cost \$25,000 or more - 2 C.F.R. Parts 180 and 1200)

a. The prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms “covered transaction,” “civil settlement,” “debarred,” “suspended,” “ineligible,” “participant,” “person,” “principal,” and “voluntarily excluded,” as used in this clause, are defined in 2 C.F.R. Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. “First Tier Covered Transactions” refers to any covered transaction between a Recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a Recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (<https://www.sam.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Participants:**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

By signing this ASSURANCE, the Recipient agrees to comply with 2 C.F.R. Parts 180 and 1200 and the requirements listed above.

\_\_\_\_\_  
(Name of Recipient)

By \_\_\_\_\_  
(Signature of Authorized Official)

DATED \_\_\_\_\_

**Attachment 4.2**  
**REQUIREMENTS REGARDING**  
**DELINQUENT TAX LIABILITY OR A FELONY CONVICTION**  
**UNDER ANY FEDERAL LAW**

As required by sections 744 and 745 of Title VII, Division E of the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103 (Mar. 15, 2022), and implemented through USDOT Order 4200.6, the funds provided under this award shall not be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that:

- (1) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government; or
- (2) Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government.

The Recipient therefore agrees:

1. **Definitions.** For the purposes of this exhibit, the following definitions apply:

“**Covered Transaction**” means a transaction that uses any funds under this award and that is a contract, memorandum of understanding, cooperative agreement, grant, loan, or loan guarantee.

“**Felony Conviction**” means a conviction within the preceding 24 months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the United States Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. 3559.

“**Participant**” means the Recipient, an entity who submits a proposal for a Covered Transaction, or an entity who enters into a Covered Transaction.

“**Tax Delinquency**” means an unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2. **Mandatory Check in the System for Award Management.** Before entering a Covered Transaction with another entity, a Participant shall check the System for Award Management (the “SAM”) at <http://www.sam.gov/> for an entry describing that entity.
3. **Mandatory Certifications.** Before entering a Covered Transaction with another entity, a Participant shall require that entity to:

- (1) Certify whether the entity has a Tax Delinquency; and
- (2) Certify whether the entity has a Felony Conviction.

**4 Prohibition. If**

- (1) the SAM entry for an entity indicates that the entity has a Tax Delinquency or a Federal Conviction;
- (2) an entity provides an affirmative response to either certification in section 3; or
- (3) an entity's certification under section 3 was inaccurate when made or became inaccurate after being made

then a Participant shall not enter or continue a Covered Transaction with that entity unless the USDOT has determined in writing that suspension or debarment of that entity are not necessary to protect the interests of the Government.

**5. Mandatory Notice to the USDOT.**

- (a) If the SAM entry for a Participant indicates that the Participant has a Tax Delinquency or a Felony Conviction, the Recipient shall notify the USDOT in writing of that entry.
- (b) If a Participant provides an affirmative response to either certification in section 1, the Recipient shall notify the USDOT in writing of that affirmative response.
- (c) If the Recipient knows that a Participant's certification under section 1 was inaccurate when made or became inaccurate after being made, the Recipient shall notify the USDOT in writing of that inaccuracy.

**6. Flow Down.** For all Covered Transactions, including all tiers of subcontracts and subawards, the Recipient shall:

- (1) require the SAM check in section 2;
- (2) require the certifications in section 3;
- (3) include the prohibition in section 4; and
- (4) require all Participants to notify the Recipient in writing of any information that would require the Recipient to notify the USDOT under section 5.

By signing this ASSURANCE, the Recipient also agrees to comply with USDOT Order 4200.6 and the requirements listed above.

\_\_\_\_\_  
(Name of Recipient)

By \_\_\_\_\_  
(Signature of Authorized Official)

DATED \_\_\_\_\_

## Attachment 4.3

### RECIPIENT POLICY TO BAN TEXT MESSAGING WHILE DRIVING

(a) Definitions. The following definitions are intended to be consistent with the definitions in DOT Order 3902.10, Text Messaging While Driving (Dec. 30, 2009) and Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving (Oct. 1, 2009). For clarification purposes, they may expand upon the definitions in the executive order.

For the purpose of Attachment 4.3, “Motor Vehicles” means any vehicle, self-propelled or drawn by mechanical power, designed and operated principally for use on a local, State or Federal roadway, but does not include a military design motor vehicle or any other vehicle excluded under Federal Management Regulation 102-34-15.

For the purpose of Attachment 4.3, “Driving” means operating a motor vehicle on a roadway, including while temporarily stationary because of traffic congestion, a traffic signal, a stop sign, another traffic control device, or otherwise. It does not include being in your vehicle (with or without the motor running) in a location off the roadway where it is safe and legal to remain stationary.

For the purpose of Attachment 4.3, “Text messaging” means reading from or entering data into any handheld or other electronic device (including, but not limited to, cell phones, navigational tools, laptop computers, or other electronic devices), including for the purpose of Short Message Service (SMS) texting, e-mailing, instant messaging, obtaining navigational information, or engaging in any other form of electronic data retrieval or electronic data communication. The term does not include the use of a cell phone or other electronic device for the limited purpose of entering a telephone number to make an outgoing call or answer an incoming call, unless this practice is prohibited by State or local law. The term also does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to remain stationary.

For the purpose of Attachment 4.3, the “Government” includes the United States Government and State, local, and tribal governments at all levels.

(b) Workplace Safety. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving (Oct. 1, 2009) and DOT Order 3902.10, Text Messaging While Driving (Dec. 30, 2009), the Recipient, subrecipients, contractors, and subcontractors are encouraged to:

- (1) adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving—
  - (i) Company-owned or -rented vehicles or Government-owned, leased or rented vehicles; or
  - (ii) Privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.
- (2) Conduct workplace safety initiatives in a manner commensurate with the size of the

business, such as—

- (i) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
- (ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(c) Subawards and Contracts. To the extent permitted by law, the Recipient shall insert the substance of this exhibit, including this paragraph (c), in all subawards, contracts, and subcontracts under this award that exceed the micro-purchase threshold, other than contracts and subcontracts for the acquisition of commercially available off-the-shelf items.

By signing this ASSURANCE, the Recipient also agrees to comply (and require any sub-recipients, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions in DOT Order 3902.10, Text Messaging While Driving (Dec. 30, 2009) and Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving.

\_\_\_\_\_  
(Name of Recipient)

By \_\_\_\_\_  
(Signature of Authorized Official)

DATED \_\_\_\_\_

## Attachment 4.4

### CERTIFICATION REGARDING DRUG-FREE WORK-PLACE REQUIREMENTS

The Recipient named in this agreement certifies that it will establish and continue to provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- b. Establishing an ongoing drug-free awareness program to inform employees about--
  1. The dangers of drug abuse in the workplace;
  2. The Recipient's policy of maintaining a drug-free workplace;
  3. Any available drug counseling, rehabilitation, and employee assistance programs; and,
  4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that each employee to be engaged in the performance of the grant or cooperative agreement be given a copy of the statement required by paragraph (a).
- d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant or cooperative agreement, the employee will--
  1. Abide by the terms of the statement; and,
  2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction;
- e. Notifying the Federal agency in writing, within ten (10) calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction, Employers of convicted employees must provide notice, including position title, to every project officer or other designee on whose project activity the convicted employee was working. Notice shall include the identification number(s) of each affected grant or cooperative agreement.
- f. Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted--
  1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

1. The Recipient 's headquarters is located at the following address. The addresses of all workplaces maintained by the Recipient are provided on an accompanying list.

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(Signature of Authorized Official)

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(Date)

**Attachment 4.5**  
**TRAFFICKING IN PERSONS**

**2 C.F.R. PART 175**

*a. Provisions applicable to a recipient that is a private entity.*

1. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

ii. Procure a commercial sex act during the period of time that the award is in effect; or

iii. Use forced labor in the performance of the award or subawards under the award.

2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —

i. Is determined to have violated a prohibition in paragraph a.1 of this award term;  
or

ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

A. Associated with performance under this award; or

B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 C.F.R. part 1200.

*b. Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term;  
or

2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—

i. Associated with performance under this award; or

ii. Imputed to the subrecipient using the standards and due process for imputing the

conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 C.F.R. part 1200.

*c. Provisions applicable to any recipient.*

1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
  - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
  - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

*d. Definitions.* For purposes of this award term:

1. “Employee” means either:
  - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
  - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
3. “Private entity”:
  - i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.
  - ii. Includes:
    - A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).
    - B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

5. “Recipient” and “subrecipient” include for-profit entities for the purpose of Attachment 4.5 only.

By signing this ASSURANCE, the Recipient certifies that it has read and understands the provisions listed above.

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(Signature of Authorized Official)

(Date)

**Attachment 4.6**  
**LOBBYING**

*If the Recipient will apply for a grant or cooperative agreement exceeding \$100,000, or a loan, line of credit, loan guarantee, or loan insurance exceeding \$150,000, it must make the following certification and, if applicable, make a disclosure regarding the Recipient's lobbying activities. This certification is required by 49 C.F.R. § 20.110 and app. A to that part.*

*This certification does not apply to a Recipient that is an Indian Tribe, Indian organization, or an Indian tribal organization exempt from the requirements of 49 C.F.R. Part 20.*

**Certification for Contracts, Grants, Loans, and Cooperative Agreements.**

The undersigned certifies, to the best of his or her knowledge and belief, that:

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**Statement for Loan Guarantees and Loan Insurance.**

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature of Authorized Official \_\_\_\_\_

DATED \_\_\_\_\_

## ATTACHMENT 5. NON-DISCRIMINATION ASSURANCES

### Standard Title VI/Non-Discrimination Assurances

#### DOT Order No. 1050.2A

By signing and submitting an application and by entering into this agreement under the FY 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program, the Recipient **HEREBY AGREES THAT**, as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation (DOT), through the Build America Bureau, it is subject to and will comply with the following:

#### Statutory/Regulatory Authorities

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 C.F.R. Part 21 (entitled *Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation—Effectuation Of Title VI Of The Civil Rights Act Of 1964*);
- 28 C.F.R. section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);

The preceding statutory and regulatory cites hereinafter are referred to as the “Acts” and “Regulations,” respectively.

#### General Assurances

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

*“No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity,” for which the Recipient receives Federal financial assistance from DOT, including the Build America Bureau.*

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI and other Non-discrimination requirements (The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these non-discrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

#### Specific Assurances

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program:

1. The Recipient agrees that each “activity,” “facility,” or “program,” as defined in §§ 21.23 (b) and 21.23 (e) of 49 C.F.R. § 21 will be (with regard to an “activity”) facilitated, or will be (with regard to a “facility”) operated, or will be (with regard to a “program”) conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program and, in adapted form, in all proposals for negotiated agreements regardless of funding source:

*“The Recipient, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.”*

3. The Recipient will insert the clauses of Appendix A and E of this Assurance in every contract or agreement subject to the Acts and the Regulations.
4. The Recipient will insert the clauses of Appendix B of this Assurance, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in Appendix C and Appendix D of this Assurance, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
  - a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
  - a. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:

- a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
  - a. the period during which the Recipient retains ownership or possession of the property.
9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the Recipient also agrees to comply (and require any sub-recipients, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing the DOT's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by the DOT. You must keep records, reports, and submit the material for review upon request to DOT, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The Recipient gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program. This ASSURANCE is binding on the Recipient, other recipients, sub-recipients, contractors, subcontractors and their subcontractors', transferees, successors in interest, and any other participants in the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program.

\_\_\_\_\_  
(Name of Recipient)

By \_\_\_\_\_  
(Signature of Authorized Official)

DATED \_\_\_\_\_

## APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, the Build America Bureau), as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 C.F.R. Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor’s obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the OST, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the OST may determine to be appropriate, including, but not limited to:
  - a. withholding payments to the contractor under the contract until the contractor complies; and/or
  - b. cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or the OST may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request

the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

## APPENDIX B

### CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of Specific Assurance 4:

**NOW, THEREFORE**, the U.S. Department of Transportation as authorized by law and upon the condition that the Recipient will accept title to the lands and maintain the project constructed thereon in accordance with the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (Nov. 15, 2021), the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103 (Mar. 15, 2022), Section 71001 of Division G of the BIL (Asset Concessions), the Regulations for the Administration of FY 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program, and the policies and procedures prescribed by the U.S. Department of Transportation in accordance and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the Recipient all the right, title and interest of the U.S. Department of Transportation in and to said lands described in Exhibit A attached hereto and made a part hereof.

#### (HABENDUM CLAUSE)

**TO HAVE AND TO HOLD** said lands and interests therein unto Recipient and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the Recipient, its successors and assigns.

The Recipient, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]\* (2) that the Recipient will use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and (3) that in the event of breach of any of the above-mentioned non-discrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said land, and that above described land and facilities will thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this instruction].\*

(\*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

## APPENDIX C

### CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Recipient pursuant to the provisions of Specific Assurance 7(a):

- A. The (Recipient, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add “as a covenant running with the land”] that:
  - 1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (Recipient, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- A. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Non-discrimination covenants, Recipient will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.\*
- B. With respect to a deed, in the event of breach of any of the above Non-discrimination covenants, the Recipient will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the Recipient and its assigns.\*

(\*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

## APPENDIX D

### CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Recipient pursuant to the provisions of Specific Assurance 7(b):

- A. The (Recipient, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, “as a covenant running with the land”) that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (Recipient, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.
  
- A. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, Recipient will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.\*
  
- B. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, Recipient will there upon revert to and vest in and become the absolute property of Recipient and its assigns.\*

(\*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

## APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

### **Pertinent Non-Discrimination Authorities:**

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 C.F.R. Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 C.F.R. Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 C.F.R. Parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681 *et seq.*).