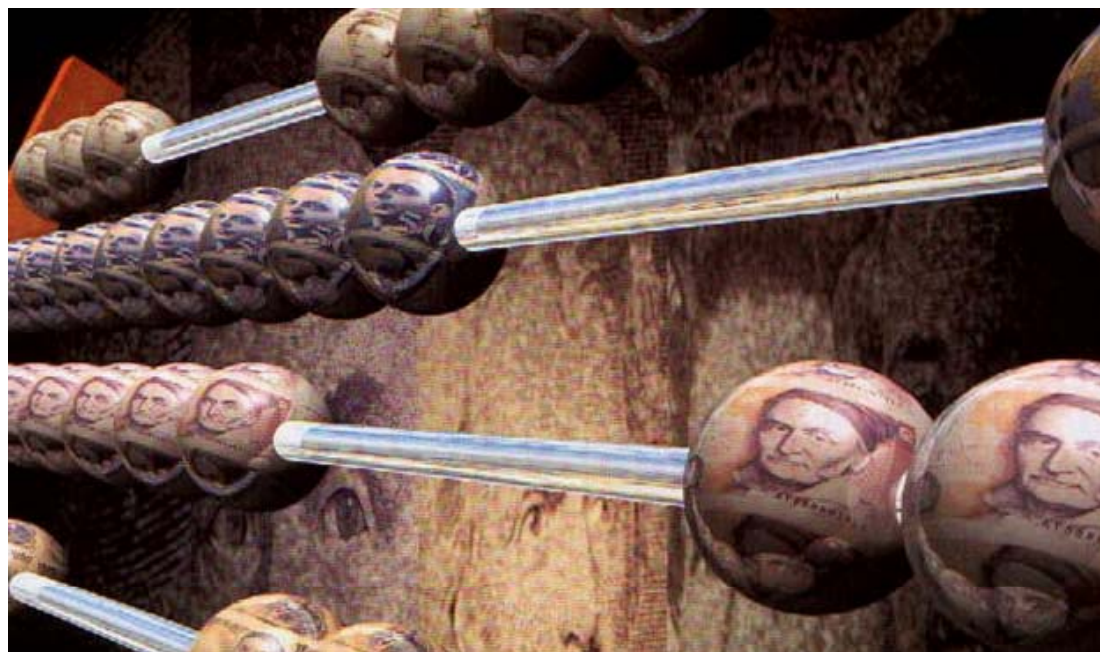


FGFOA Fiscal Survivor Series

Revenue Enhancements – Alternative Revenue Sources



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Revenue-Enhancement Strategies Menu

- Pursue Back Taxes/ Penalties, Fees, and Fines
- Amnesty Programs
- Alternative Financing
- Environmental Initiatives
- Update User Fees
- Development Impact Fees
- Grants Administration
- Facilities Rationalization
- Sale or Lease of Surplus Assets
- Easement Permits/ Access Rights
- Joint Development
- Partnerships
- Branding and Sponsorships
- Jurisdictional Consolidation

Pursue Back Taxes/Penalties, Fees, and Fines

- Close accounts receivable
- Outstanding penalties often overlooked
- Direct collection or collection agency
- Pursue all or highest outstanding bills
- Overcome stovepipe effect – coordinate issuing and collecting units
- Publicize – profile biggest tax/fee cheats

Pursue Back Taxes/Penalties, Fees, and Fines

■ Treasury Offset Program (TOP)

- ◆ U.S. Department of the Treasury – Office of Financial Management Services
- ◆ Intercepts federal payments to payees with debts delinquent to federal and state agencies
- ◆ Requires federal-state reciprocal agreement
- ◆ Administrative and state payment offsets to person or entity to satisfy debt
- ◆ Maryland – June 2007
 - First week – 69 vendors offset federal payments \$50K
 - First half year – 2,660 vendors offset federal payments \$4.6M
- ◆ New Jersey – July 2007
 - First half year – 1,979 vendors offset federal payments \$4.3M

Amnesty Programs

- Allow payment of back taxes, fees, or fines without overdue penalties
- Limited window of opportunity
- Follow up with aggressive collection program, including penalties
- Focus on highest dollar outstanding taxes, fees, or fines

Alternative Financing

■ Third-party contributions

◆ Dolphin (Joe Robbie) Stadium Turnpike Access

- Shadow toll – paid by owners of stadium
- No charge to customer – pays for tickets, parking, concessions

■ Property tax increment financing (TIF)

◆ Conroy Road Interchange

◆ Universal Boulevard Interchange

■ Special assessment district fees/taxes

Conroy Road Bridge - Orlando City Gateway



Conroy Road Bridge and Interchange (Orlando City Gateway)

- \$28 million project bridge over I-4 in Orlando – built 1998 – 2000
- Access to 400+ acres annexed by City with promise of TIF
- Multiple financing approaches in partnership:
 - ◆ Special assessment district fees
 - ◆ Transportation impact fees
 - ◆ Property tax increment financing (TIF) – by parcel
 - ◆ Land contribution of 40 acres by developer
 - ◆ State grant of \$5 million
- Performance – based approach
 - ◆ Development schedule linked to application of fees
 - ◆ Project risk allocated to land and vertical developers based on TIF
 - ◆ Retail development led schedule - office development lagged schedule
- Results
 - ◆ Accelerated project by 10 – 15 years
 - ◆ Property value increased from \$6.5M to \$250M in 5 years
 - Millennium Mall
 - Collateral retail
 - ◆ Coverage ratio of 1.15 in 4 years
 - ◆ Additional off-site development further benefits City



Republic Road Interchange (Universal Studios Access)

- \$48 million agreement, including \$43 million interchange project at Interstate 4 in Orlando, FL – built 1997 – 2002
- Access to property annexed by City under promise of TIF
- Multiple financing approaches in partnership arrangement
 - ◆ Special assessment district fees
 - ◆ Transportation impact fees
 - ◆ Property tax increment financing
- Performance – based approach
 - ◆ TIF fees generated
 - ◆ Jobs produced
- Results
 - ◆ Property value increased from \$350M to \$1.1B in 2 years
 - New theme park
 - Two 9,600 space parking garages
 - Three hotels (1,000+ rooms)
 - ◆ Coverage ratio of 2.1 in only 2 years

Alternative Financing - continued

- Public-private partnerships (PPPs or P3s) – private access to capital markets, expedited project delivery
- Transportation Infrastructure Finance and Innovation Act (TIFIA) – Federal credit enhancement and deferred-interest loans for PPPs
- Private activity bonds (PABs) – Tax exempt private-issue bonds for defined purposes (e.g., transportation infrastructure)

Environmental Initiatives

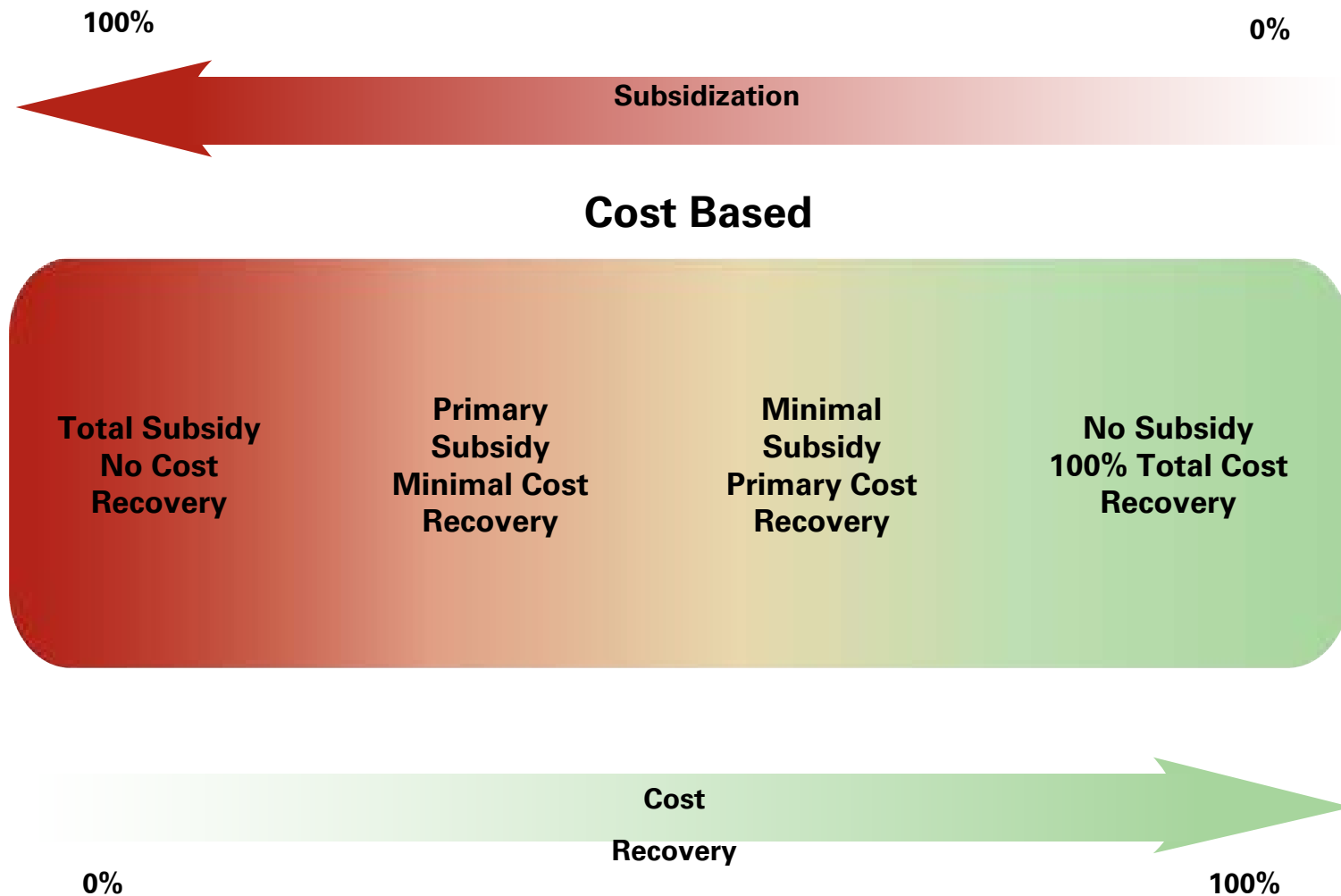
- Carbon credits – sale of credits for reductions in carbon emissions
- Waste-to-energy (direct; methane gas from landfills)
- Green building design
 - ◆ U.S. Green Building Council's *Leadership in Energy & Environment Design* (LEED) - green building rating system/certification
 - ◆ Orlando Utilities Commission (OUC) Building

Update User Fees

- Key departments
 - ◆ Building
 - ◆ Parking
 - ◆ Recreation
 - ◆ Emergency services
- Cost-based user fees – cover fully-allocated costs
- Automatic inflation-based adjustments
- Cost coverage versus revenue generation
- Government subsidy versus social benefit
- Ability to pay / willingness to pay

Update User Fees - continued

■ Policy Issue - degree of cost recovery versus subsidization



Development Impact Fees

- Business improvement district fees/taxes
- Proactive infrastructure cost coverage
- Growth management fees

Grants Administration

- Available Federal and state grant programs
- Community Development Block Grants Program
- Numerous sources – aggressive pursuit
- Thorough administration

Facilities Rationalization

- Underutilized facilities
- Facility reuse (school buildings to administration buildings)
- Multiple uses
- Multi-jurisdictional arrangements

Real Estate Rationalization

■ Sale or Lease of Surplus Assets

- ◆ Unused facilities, equipment, real estate parcels
- ◆ Rehabilitate versus disposal tradeoffs (hold'em or fold'em)

■ Easement Permits/Access Rights

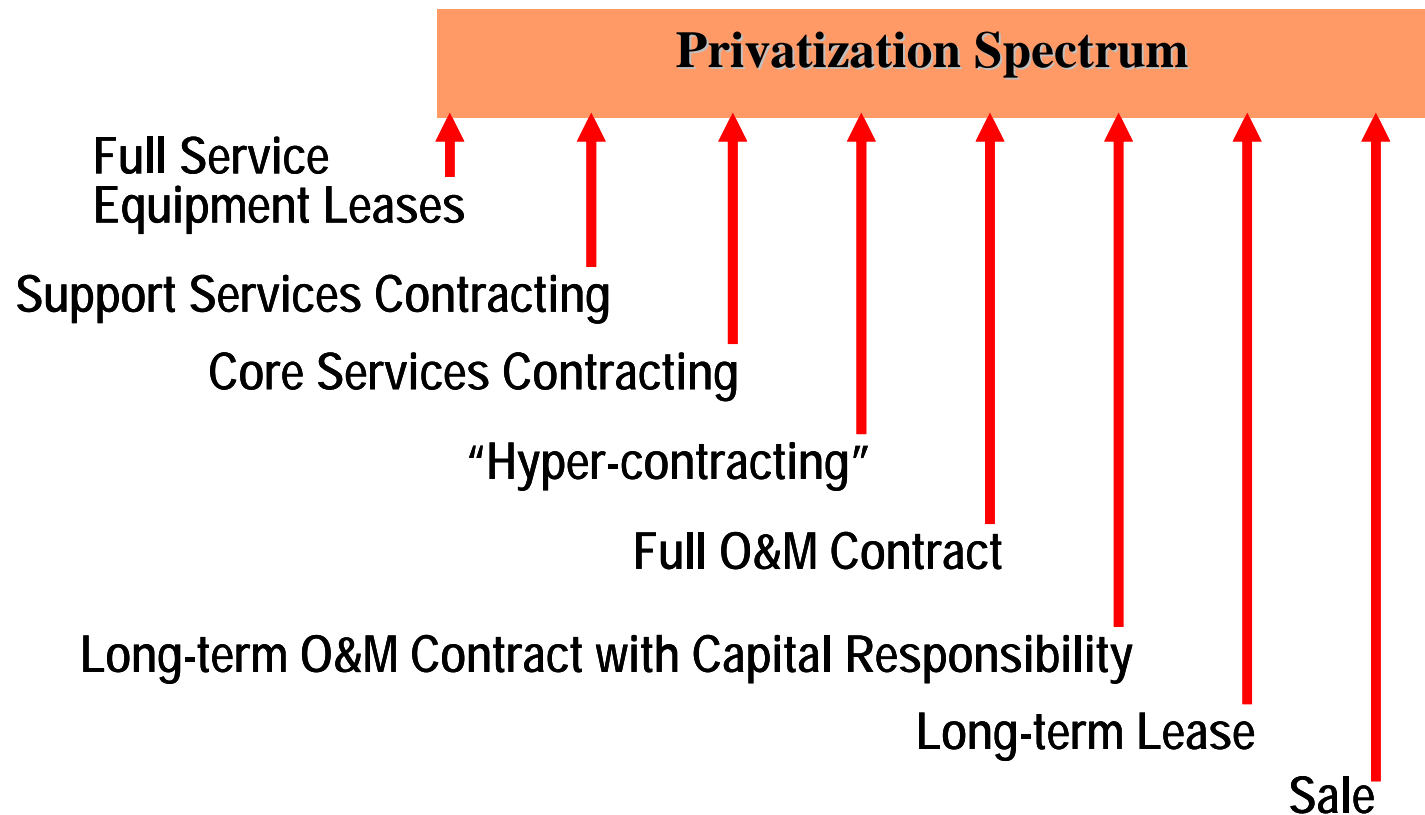
- ◆ Cell towers
- ◆ Fiber optic cables

■ Joint Development

- ◆ Public and private joint development (public property owner/private developer)
- ◆ Air rights development

Partnerships

- Alternative arrangements
 - ◆ Public-private partnerships
 - ◆ Public-public partnerships
 - ◆ Public-public-private partnerships

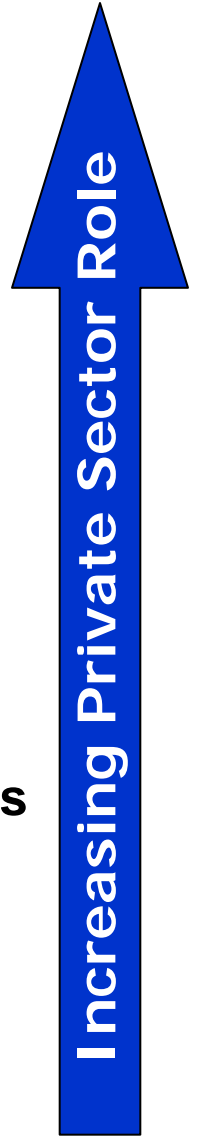


Types of Partnerships

- Long-Term Lease Agreement/Concession*
- Joint Development Agreement (JDA)/
- Transit-Oriented Development (TOD)
- Multi-Modal Partnership
- Build-Own-Operate (BOO)
- Build-Operate-Transfer (BOT)/
- Build-Transfer-Operate (BTO)
- Design-Build-Finance-Operate (DBFO)
- Design-Build-Finance (DBF)*
- Design-Build-Operate-Maintain (DBOM)*
- Design-Build (DB)/Design-Build-Warranty*
- Construction Manager at Risk
- Design-Bid-Build (DBB)
- Private Contract Fee Services/Maintenance Contract



**Project
Delivery
Approaches**



Branding and Sponsorships

- Naming rights on large infrastructure
 - ◆ Buildings
 - ◆ Bridges
 - ◆ Highways
- Emergency Vehicle Sponsorship (e.g., FDOT's Road Ranger Program)
- Special Event Sponsorship

Jurisdictional Consolidation

- City-county consolidation
- City-county service sharing
- Multi-jurisdictional outsourcing

Other Revenue-Enhancement Strategies

■ Participant Input:

- ◆
- ◆
- ◆
- ◆
- ◆
- ◆
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