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Secure land.
Empower citizens.
Assure the future.

Deployment of a Public Private Partnership (PPP) that Provides an Improved Business/Administrative Tool as the Foundation for Planning, Managing and Encouraging Quality and Sustainable Economic Development for the Public Administration

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Introduction

- A major role of the Local Administration (city, county governments) is the management of their territory;
- 70-80% of all Local Administration decisions concern spatial information;
- The foundation of a land information system is cadastral information, which is, typically, the responsibility of Central Public Administration.
- The PPP approach is a solution option that was analyzed to determine if it is feasible to finance the collection of cadastral information and the development of a land information system in support of Local Administration decision-making;
- This presentation is the results of the PPP feasibility analysis, completed by Stewart (USA), in Romania.

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Overview of local background

- Local Administration in Romania administers:
 - Counties (administered by County Council and President of County Council);
 - Cities and communes (Territorial Administrative Units - TAUs), administered by Local Councils and Mayors); and
 - Counties are typically consist of 50-90 TAUs each.
- Feasibility analysis was performed in a medium size county: 3,600 Sq. km.; population: 294,000; and 54 TAUs

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Land management responsibilities of the local administration

- Management of the State domain (public and private land);
- Retrocession of properties to citizens, in accordance with property laws;
- Development and update of urban planning regulations, informing the public, verification and control of the application of urban regulations;
- Issuance of construction permits in compliance with the law and regulations; and
- Development and maintenance of various land evidences (agricultural land, addressing system, property taxes information, etc.).

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Problem Statement

- The local administration needs to have a comprehensive “asset inventory” of properties, property rights and property attributes within its jurisdiction so as to leverage this data into revenue generation activities (property tax assessment and collection, permitting, land planning, etc.);
- A comprehensive geo-database of property and parcel boundaries, ownership and usage rights, land use, address, property values, etc. is currently unavailable nationally or locally;
- The financial ability of each individual mayor’s office to create an independent solution is marginal or non-existent; and
- The national government has the technical capacity to officially register properties, however, is unable to manage the massive effort required to collect the property data needed for the registration.

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Solution Overview

Create a Public Private Partnership model at the county level that will provide a viable business, technical and financial solution for the county and the individual mayors while providing land rights information in a systematic approach to the national government for official registration.

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Solution framework - Business aspects

- Establish an inter –community “Association of County Council and Local Councils” in respective County, legally represented by County Council;
- Establish a PPP (type: “Design, Built, Finance, Operate and Transfer” - DBFOT) between private investor and inter-community association;
- Main goals of the PPP:
 - Implementation of a land information management system, support of land management related functions and related municipal management processes.
 - Priming the system with updated and appropriate data (cadastral, fiscal, regulatory, address and planning related).

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Solution framework - Financial aspects

- Revenue sources for financing PPP:
 - Improved property tax collection (a major component of local budgets, based on citizen declaration of their properties and their technical characteristics), in two directions: as number and as value due official record of technical characteristics
 - Fees for urban planning certificates and permits
 - Land information services
- In reviewing the potential revenue sources in comparison with the upfront investment by the private sector partner, the project has been deemed to be financially viable for both the private and public partners, with an estimated 25% ROI over a 10-year project lifecycle.
- It is estimated that the partnership will operate with negative cash flows in the first 5 years of the project, but will move to break even and positive revenue generation in Year 6. Importantly, by adding an additional county(ies) to the PPP, the break-even point is accelerated significantly as is the ROI.

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Solution framework - Technical aspects

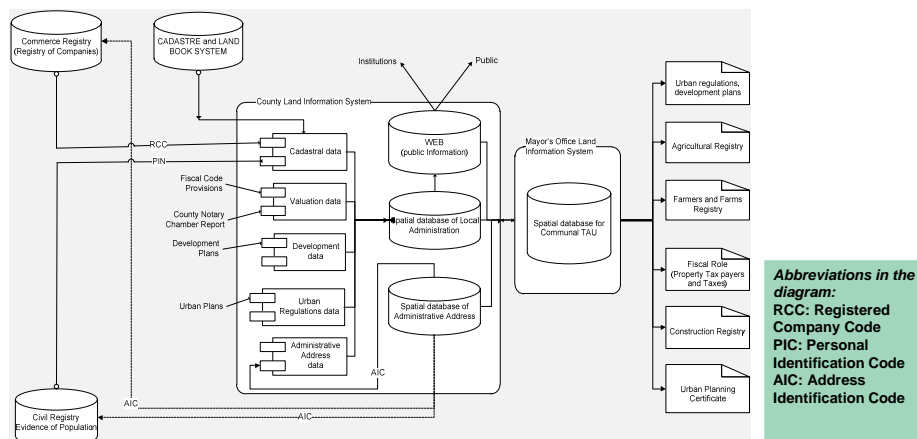
- General structure of Land Management Information System: county data center and WEB-based services for Mayors' offices
- Primary components: geo-database of land information based on the official cadastre map, valuation model for tax value and market value of properties, administrative addressing system, urban planning data and tools and public access.
- The primary categories of data needed to support the system functionality are as follows:
 - Cadastral data (graphical and textual)
 - Fiscal law (code) data and beacon data for market values
 - Urban planning regulations
 - Land development plans
 - Address data

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Solution framework - Technical aspects

The following diagram illustrates the proposed general structure of the technical solution:



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Conclusion

- It is estimated that only 10-15% of all properties are registered in Romania. This registration effort is a massive undertaking for any single entity. The PPP approach at the local administration level increases the quantity and rate at which information is collected and provided to the national government for approval and inclusion in the comprehensive land registration database;
- The PPP approach is a viable **financial solution** for solving a national cadastre, by financially involving an important beneficiary (the local administration), and leveraging private sector involvement;
- The case presented is a viable **technical solution** as it puts the data collection activities at the local level where the knowledge is strongest and “drives” the data “up” to the national level as opposed to the current effort of waiting for the national government to “push” data down to the local administration. Additionally, being a web-based approach, each Mayor’s office does not need to invest in a large amount of IT infrastructure.
- The case presented is a viable **business solution** as it provides a standardized solution across an entire county jurisdiction while providing a tool for the individual mayor’s offices to function efficiently, generate revenues and provide improved customer service.

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Thank You!

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