Maximizing Non-Fare Revenue in Non-Traditional Ways

The Commonwealth is Open for Business

“The goal over the course of the next several years is to work to develop a standard way of thinking about how we can work with others to leverage real estate in a way that creates opportunity across the Commonwealth.”

- Governor Baker
TOD is the fun part, Tangible Non-Fare Revenue Generators Can Be Another Thing

- Be “Open for Business” to any reasonable use or partnership.

- Find value in creative ways

- Reoccurring revenues are more likely to be generated through:
  - Telecommunications
  - Utilities
  - Advertising
  - Licensing
  - Concessions
  - Solar
  - Smaller Land Sales
  - Easements
Be “Open for Business”.....

- Provide a simple “Store Front”
  - Single point of contact, if possible
  - Provide simple way for opportunities to be presented
  - **Example**: functional webpage that allows uploading of license (or other) requests including plans.

- Be Transparent
  - Single resource to market opportunities, and collect regular interest

- Set Expectations
  - Minimum fees to obtain a License, easement or purchase of property.
  - Be clear on basic information needs
  - Be clear on review timeline(s)

How can I register to be alerted of future opportunities

- **Go to the web page**
- Request a (License, easement, purchase) of property
  - **Go to the web page**
- What are cost to (License, easement, purchase) property
  - **Go to the web page**
Be Creative

| Know/understand the request of the agency... | • Simple use and occupancy agreement perhaps could/should be a permanent easement – at a higher price point. |
| Mine for opportunities | • Existing licenses could/should be easements – at a higher price point |
| Create “future participation” scenarios | • Encroachments for recurring revenue, or one-time easement or sale revenue. |
| Release of deed/easement restrictions | • Future sales or refinancing of former Agency assets create ongoing revenue opportunities |
| | • Transit agencies often one of the largest landowners in a given state. have historical easements that may no longer be needed. |
| | • To the extent easements are no longer needed and can benefit land owners, releasing restrictions have value. |
Work smaht.....

- Establish **Minimum Fees**, that don’t cost the agency.
  - Cover agency costs, **and** create revenue.
- Establish clear process and pricing expectations.
- Focus on projects that have a path to success.
- Financial Audits
  - Minimum Fees/Rental Increases
  - Collections
- Grow Existing Relationships
- Regular Process Improvements

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### Successful Reoccurring Revenue Initiatives

<table>
<thead>
<tr>
<th>Overview</th>
<th>Minimum Pricing</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing tenant adjustment:</td>
<td>$1.50PSF or $5K per year</td>
<td>$200k</td>
</tr>
<tr>
<td>Average Licensing increase</td>
<td>$1.50PSF or $5K per year</td>
<td>$150k</td>
</tr>
<tr>
<td>Design Review Fee</td>
<td>$1,600 per review</td>
<td>$150K</td>
</tr>
</tbody>
</table>

*Increased Per Annum Reoccurring Revenue: $500K*

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### Successful Collections

![Successful Collections Bar Chart]

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunications</td>
<td>$2,095,826.79</td>
</tr>
<tr>
<td>Long Term Agreements</td>
<td>$451,648.23</td>
</tr>
<tr>
<td>Utilities</td>
<td>$150,860.18</td>
</tr>
<tr>
<td>Concessions/ Pushcarts</td>
<td>$93,684.78</td>
</tr>
<tr>
<td>Land</td>
<td>$76,838.81</td>
</tr>
<tr>
<td>Advertising</td>
<td>$65,607.05</td>
</tr>
<tr>
<td>Short Term Agreements</td>
<td>$34,311.59</td>
</tr>
</tbody>
</table>

Totals: $2,995,826.79
Recurring Income Example (MBTA)

<table>
<thead>
<tr>
<th>Agreement Type</th>
<th>Count</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom</td>
<td>119</td>
<td>$7,283,624</td>
</tr>
<tr>
<td>Advertising</td>
<td>5</td>
<td>$3,763,255</td>
</tr>
<tr>
<td>Concessions</td>
<td>83</td>
<td>$2,257,468</td>
</tr>
<tr>
<td>Land</td>
<td>253</td>
<td>$2,271,094</td>
</tr>
<tr>
<td>Utilities</td>
<td>348</td>
<td>$1,094,754</td>
</tr>
<tr>
<td>Long Term Agreements</td>
<td>14</td>
<td>$449,696</td>
</tr>
<tr>
<td>Short Term Licenses</td>
<td>250</td>
<td>$141,784</td>
</tr>
<tr>
<td>ATCs (Bike Trails)</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1097</strong></td>
<td><strong>$17,261,675</strong></td>
</tr>
</tbody>
</table>
Can you hear me now....

- Increasing need for fiber optics as unlimited data plans become more popular.

- Demand for location specific crossings remains constant

- Transit Agencies have unique opportunity to accommodate long utility and fiber runs.
The sun shines everywhere......

- Solar will not:
  - Require replacement parking (if done right)
  - Require a reduction in parking (if done right)
  - Have extended construction schedules – impacting commuter experience

- Solar will:
  - Generate non-fare revenue (local influences)
  - Provide cover from the elements
  - Provide a reduction in operating costs

- MBTA Example:
  - **$1.9 Million annual income** for 37 parking facilities - escalating 15% every five years.
  - **$185k annual savings** through reduction in snow removal, electricity and lighting maintenance
  - **34 MG Generated**
Thank you!

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