

SESSION ONE

OVERVIEW OF VARIOUS MUNICIPAL FINANCE INDUSTRY CONSULTANTS and THEIR EXPERT WORK PRODUCTS

Presented by

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Definition of Expert Work Products

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□ What Are Expert Work Products

- ▣ Products used in disclosure documents to support proposed work project
- ▣ Can be found in Official Statements
- ▣ Not updated as part of Continuing Disclosure



Expert Work Products Means

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- Feasibility studies and reports
- Economic and financial projections, forecasts and analysis
- Real estate appraisals and other asset valuations
- Other third party reports used by municipal market participants
- Used to illustrate the feasibility of start-up or expansion projects associated with bonds

Utilized by Industry Sectors

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- ☐ Land-based securities
- ☐ Multi-family housing
- ☐ Toll roads
- ☐ Water, sewer, electric, and other types of municipal utilities
- ☐ Airports and maritime ports
- ☐ Private activity projects
- ☐ Healthcare, continuing care, and assisted living projects
- ☐ Charter or independent schools
- ☐ Convention centers and related hotels
- ☐ Stadiums
- ☐ Project Finance

Who Are Special Consultants?

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- Assessment
- Accountants and auditors
- Appraisers
- Business valuation consultants
- Feasibility consultants
- Other Consultants (e.g., Lawyers)

Sell-side Perspective- Example

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In California, land-secured financing is a common approach in constructing infrastructure needs for schools, roads, freeways, sewer projects and other public facilities

Land Secured	Product
Market / Demand Consultants	Price Point Study Market Absorption Study
Appraiser	Asset Valuation / Appraisal
Special Tax Consultant	Special Tax Revenue Projections
Assessment Engineer	Assessment Revenue Projections
Tax Increment	Product
Fiscal Consultant	Tax Increment Revenue Projections

Buy-side Perspective- Example

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Iowa Fertilizer Expert Reports

Expert	Consultant	Risk Covered	Report in OS
Fertilizer Market Consultant	Integer Research	<ul style="list-style-type: none"> Fertilizer prices Natural gas prices 	Yes
Independent Engineer	Nexant	<ul style="list-style-type: none"> Technology Permits Construction Performance Cost of operation and maintenance 	Yes
Model Auditor	Ernst & Young	<ul style="list-style-type: none"> Mathematical accuracy of financial model "Tick and tie" assumptions to financial model 	No
Independent Insurance Advisor	AON	<ul style="list-style-type: none"> Adequacy of insurance 	No

QUESTIONS

Overview of Various Muni Finance Consultants and
Expert Work Products