

Optimization of Idle Assets of the Ketapang Regency Government with the Highest and Best Use Method to Increase Local Original Revenue

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ABSTRACT

Regional Original Revenue (PAD), which is a measuring tool in determining the ability of regions to finance the running of the wheels of government, must be strived to be improved in supporting services to the community. The strategy that can be done is to optimize the utilization of regionally owned assets. The financial capacity of the Ketapang Regency Government with PAD which is still below 10 percent reflects that the regional independence ratio is classified as "very low", so it still depends on the central government. This study aims to analyze the optimization of asset utilization, cooperation patterns and estimation of economic benefits obtained by local governments using the HBU method. This method is used to analyze the beneficial value of a vacant land with a physical, legal, financial and maximum productivity feasibility approach, to obtain the highest value and best use of a building investment plan. The results of this study are, alternative buildings that physically, legally, financially and maximum productivity meet the criteria in erecting buildings are for culinary centers, with a payback period (PP) of 5 years 8 months, NPV = 11,798,256,645, BCR = 1.70, IRR = 16.52% and maximum productivity of 58.71%. The utilization pattern that can be done is by the BGS mechanism with an estimated contribution of economic benefits of Rp. 31,221,117,200.00 in a period of time for 20 years.

INTRODUCTION

Regional Original Revenue is the result obtained by the region through pure resources owned by the region. PAD is also a measuring tool to determine the ability of regions to finance their household needs in organizing the wheels of government. For this reason, PAD in an area must be strived to be improved along with the times and increased services to the community. One of the strategies that can be carried out by regions in an effort to increase PAD is to optimize asset utilization (Christia & Ispriyarso, 2019).

In terms of financial capability, Ketapang Regency in 2022 has a Regional Revenue value of Rp. 2.143 trillion, with a PAD value of Rp. 185.32 billion. This illustrates that the independence ratio of the Ketapang Regency Government is 8.65%, which means that the regional independence ratio is classified as "very low" so it still depends on the central

government. The percentage of PAD revenue compared to regional revenue on the financial side of the Ketapang Regency Government is still below 10 percent on average. This reiterates that the regions have not been fully able to finance the implementation of services to the public optimally (Haryanto & Priyo, 2020).

The Ketapang Regency Government has assets of 6.8 trillion (audited data of BPK RI Year 2020), consisting of assets of land, equipment and machinery, buildings and buildings as well as roads, irrigation and networks. Most of the assets owned by the Ketapang Regency Government are used for public services, such as education, health, culture and tourism, roads, water networks and other facilities that support the implementation of the main duties and functions of the Regional Government. Of a number of assets owned by the Ketapang Regency Government, there are also a small number that are in a condition that is not used properly or in idle conditions scattered in several locations in the Ketapang Regency area. Based on the results of the initial survey, some assets are in a condition that is not utilized properly or in an idle state (idle) (Hastuti, 2018).

Based on a survey of 5 (five) idle land assets, the following information was obtained:

- a. The land of RTH People's Theme Park, located 2.3 km from the city center of Ketapang Regency, is in an unmaintained condition and in an empty state without having a building. The land is close to community residential areas and educational facilities.
- b. The land of the Old Office House of the Regent and the Ketapang Regional Government Mess, located 800 m from the city center, is in an unmaintained condition and in an empty condition with the former local government mess building that has burned down. The land is close to business districts, government and private offices, sports, RTH, education, culinary and lodging.
- c. The land of the Old Office House of the Regent and the Ketapang Regional Government Mess, located 800 m from the city center, is in an unmaintained condition and in an empty condition with the former local government mess building that has burned down. The land is close to business districts, government and private offices, sports, RTH, education, culinary and lodging.
- d. The land of the Nursery Pond Plan, located 1.7 km from the city center, is empty and unkempt. The land is in a densely populated residential area.
- e. The land of the Agricultural Demplot, located 4.4 km from the city center, is empty and unkempt. The land is in residential areas and higher education areas.

With the assumptions expressed by Von Thunen, the regional assets in the form of idle land that have great potential to be optimized are the land of the old office house of the Regent and the mess of the Ketapang Regional Government, because it has a very strategic location and is close to the city center and the center of government. Furthermore, the determination of alternative commercial building uses is carried out with the Highest and Best Use (HBU) method, which is a method used to determine the highest and best use on vacant land or already has a building. Previous research by (Siahaan, 2017), The HBU method is used to analyze vacant land with alternative uses of buildings in the form of hotels, shopping centers and parking lots with analysis of physical feasibility, regulations, finances and maximum productivity. The Ketapang Regency Government needs to make efforts to increase PAD by optimizing idle assets that have not been properly utilized so as to have a positive impact on city development and at the same time provide additional PAD for the Ketapang Regency Government (Maryono, Suyoto, & Mudjihartono, 2010).

METHODS

The research was conducted in a quantitative descriptive manner and was carried out in Ketapang Regency, with the length of research taking \pm 4 (four) months from August 2022 to December 2022. The data to be used are primary data obtained by making observations and surveys on the object of research and distributing questionnaires with related technical area devices, as users of goods for the object under study combined with secondary data

obtained from regulatory documents related to land allocation, building use and supporting data / documents for the calculation of investment feasibility (Nurbintara, Larasati, & Djumiarti, 2016).

The initial analysis carried out to determine alternative uses of buildings on the land of the research object before analysis using the HBU method, is to make observations or direct observations on the research object and distribute questionnaires to stakeholders of asset managers, administrators of regional equipment and the community around the research object.

A. Physical feasibility test of soil

According to (Appraisal, 2013), Physical feasibility tests of land are conducted to analyze the feasibility of alternative land uses. The indicators used are location, shape, size, contour / topography and accessibility where the object of research is located. This physical feasibility test will also be strengthened by questionnaires on several respondents who are related to the land development plan of the research object. The result of this physical feasibility test is the physical feasibility of the land to build alternative use plans as the results of observations and the most choices by respondents.

B. Legal due diligence

Legal due diligence according to (Appraisal, 2013), Conducted to analyze the feasibility of land for construction of commercial buildings permitted by the provisions of regulations governing spatial requirements and the city where the location of the land is located. Applicable building regulations need to consider, among others, regulations governing the allocation of land in spatial planning, provisions for building construction regulations related to the maximum area of the ground floor that can be built, the maximum floor area and the maximum height limit of buildings allowed to be built. Other regulations used are the provisions for the unit price of building construction for non-simple buildings and simple buildings.

C. Financial feasibility analysis

Financial feasibility analysis in this study was conducted to calculate the feasibility of investment appraisal planning for commercial buildings from the financial planning side. The analysis tools used include calculating Payback of Period (PP), Net Present Value (NPV), Benefit and Cost Ratio (BCR) and Internal Rate of Return (IRR). PP is used to measure the value of the period of return on capital on the investment made, where the faster the period of return on investment capital, the investment is feasible to do.

Another analysis tool used is NPV, which calculates the value of the difference between income in a specified period of time with the value of the investment issued, where if NPV is positive, then the investment is worth doing and vice versa if NPV is negative, then the investment is not worth doing. In financial feasibility analysis, BCR analysis is also carried out, which is an analysis tool measuring the ratio between the overall income and the value of the investment that has been spent, where if the BCR is greater than or equal to 1, then the investment is worth making and if the BCR is worth less than 1, then the investment is not worth doing.

The next analytical tool used for financial feasibility analysis is IRR, which measures the estimated interest rate as an indicator of the efficiency of an investment, where if the prevailing interest rate in the future is greater than the current interest rate, then the investment is worth doing and vice versa if the future interest rate is smaller than the current interest, Then the investment is not worth doing.

The mathematical model used to analyze investment valuations refers to Samuelson's mathematical model in (Achmad, 2017), For assumptions with the value of income from investments made is the same in each year period as follows:

D. Payback Period (PP)

$$PP = \frac{COF}{CIF} \times 1 \text{ Year}$$

Information:

COF (Cash Outflow) = the value of the investment spent

CIF (Cash Inflow) = Net income from investments

E. Net Present Value (NPV)

$$NPV = -COF + \frac{CIF_1}{(1+i)^1} + \frac{CIF_2}{(1+i)^2} \dots \dots \dots + \frac{CIF_n + ECIF_n}{(1+i)^n}$$

F. Benefit and Cost Ratio (BCR)

$$BCR = \frac{\frac{CIF_1}{(1+i)^1} + \frac{CIF_2}{(1+i)^2} \dots \dots \dots CIF_n + \frac{ECIF}{(1+i)^n}}{COF}$$

Information:

ECIF (Ending Cash Inflow) = cash in at the end of the project (if any)

$\frac{1}{(1+i)^n}$ is a Discount Factor = divisor factor

G. Internal Rate or Return (IRR)

$$IRR = I_1 \frac{NPV}{NPV - NPV^-} (I_2 - I_1)$$

Information:

I1 = Interest 1

I2 = Interest 2

H. Maximal productivity analysis (PM)

Maximal productivity analysis is carried out to measure how high the value of land after development. The mathematical model used to calculate the increase in land value per square meter after development is as follows:

$$\text{Nilai tanah per m}^2 = \frac{\text{nilai investasi} - \text{nilai bangunan}}{\text{total luas lahan}}$$

I. Utilization Pattern Analysis

Analysis of utilization patterns in research objects is carried out after alternative building development that has the highest value and best in the HBU method is carried out. This analysis was carried out with a regulatory approach that regulates the forms of utilization of regional property, namely the Minister of Home Affairs Regulation Number 19 of 2016 concerning Guidelines for Regional Property Management. Utilization of local property inside (Negeri, 2016) can be done by rent, borrowing, utilization cooperation (KSP), build guna serah (BGS) / build handover (BSG) and infrastructure utilization cooperation (Ouertani, Parlikad, & McFarlane, 2008).

J. Economic Benefit Estimation Analysis

Economic benefit estimation analysis is an analysis of the value of profit sharing between local governments and cooperation partners in land use through alternative building uses that have been analyzed using the HBU method. This analysis takes into account the amount of income obtained by the local government and cooperation partners during the period when the use of the research object is carried out. This analysis will also determine the proportion or profit sharing that is most often used in asset utilization. According to (Purnama, 2019), The proportion or revenue share for the most frequently used contribution years is 60/40, 65/35, 70/30 of annual net income.

RESULT

Research and calculations that have been carried out on the land of the old office house of the Regent and the Ketapang Regional Government mess, using the HBU method provide the most possible and most optimal analysis results to be built physically, legally and regulatorily allowed, meet financial feasibility and provide maximum productivity value for the value of the land developed. This research went through several stages, including:

- a. Field observations and surveys, by looking physically, which include asset area, asset shape, asset condition, asset location, asset accessibility and asset use.
- b. Collection of data related to legal and regulatory aspects of land use.
- c. Analyze the physical and legal feasibility of the object under study.
- d. Analyze the feasibility of maximum profit and productivity to obtain alternative optimization of asset utilization that has the highest value and the best in its use.

Table 1 Recapitulation of Research Results on the Land of the Old Office House of the Regent of Ketapang and the Local Government Mess

	HBU Method	Alternative Culinary Center	Hotel Alternatives	Sports Hall Alternatives
1	Physical Eligibility	Proper	Proper	Proper
2	Legal Eligibility	Fulfilled	Fulfilled	Fulfilled
3	Financial Feasibility			
a.	PP (Year)	5,77	11,04	52,72
b.	NPV (Rp)	11.798.256.645,0 0	- 10.145.524.743,0 0	- 13.793.463.365,0 0
c.	BCR	1,70 > 1	0,89 < 1	0,19 < 1
d.	IRR (%)	16,52 > 8,04	6.47 < 8.04	-7.86 < 8.04
4	Maximum Productivity			
a.	Investment Value (Rp)	16.938.875.000,0 0	89.444.784.560,0 0	16.938.875.000,0 0
b.	Building Value (Rp)	9.781.100.000,00	81.183.147.200,0 0	9.781.100.000,00
c.	Land Value Before Development (Rp)	4.202.480.000,00	4.202.480.000,00	4.202.480.000,00
d.	Land Value After Development (Rp)	7.157.771.880,00	8.261.637.360,00	7.157.771.880,00
and	Prod. Maximum (%)	58,71	50,87	58,71

Source: Author's Calculation Results for 2022 (processed)

Table 1. shows that against the alternative plan of culinary centers, hotels and sports halls meet the physical feasibility to be built on the land of the object of research. The feasibility includes location, shape, area, contour and accessibility, which according to Von Thunen's location theory assumes that the gravitational force on the object of study provides great potential to be optimized because it is in the center of the market, business center, government center and strategic area of urban development (Siregar, 2004).

Legal feasibility analysis provides an overview that the object of research also meets the conditions for development. This is supported by the provisions of the RTRW Regional Regulation which stipulates the location as an urban area that functions to serve provincial-

scale activities or several districts/cities. Spatially, the Interactive RDTR map shows that the location is intended for city-scale trade and services. The requirements for KDB, KLB and building height in erecting buildings at the location of the research object also meet the conditions for development.

PP's financial feasibility analysis shows that alternative culinary centers have the fastest payback period compared to other alternative plans, which is 5 years 8 months, while for alternative uses the longest payback period is alternative use for sports halls, which is for 52 years 7 months. The NPV value in culinary centers meets the feasibility for development investment, because it provides a positive value of Rp. 11,798,256,645.00 compared to other alternatives with negative NPV. Then the BCR comparison ratio for culinary centers meets the eligibility for investment because it has a BCR value of > 1 , but not with other alternative uses, namely for hotels and sports halls that have a BCR value of < 1 , which means it does not meet the feasibility for investment. The IRR interest rate value of culinary centers is also at 16.52 percent above the prevailing interest rate of 8.04 percent but not with alternative uses for hotels and sports halls that are below the current interest rate.

PM analysis shows that productivity of research object land development has increased in value after investment. The final conclusion of the analysis of physical, legal, financial and maximum productivity feasibility variables states that, the construction of culinary centers on research objects meets all HBU requirements, namely having the highest value in investment and the best use of research objects.

Utilization Pattern

The pattern of land use in this study is based on the Regulation of the Minister of Home Affairs Number 19 of 2016 concerning Guidelines for the Management of Regional Property, where utilization is the utilization of regional property that is not used for the implementation of the duties and functions of SKPD and / or optimization of regional property by not changing ownership status. Forms of utilization of local property according to (Negeri, 2016) is in the form of

Rent;

Rent is the utilization of local property by another party within a certain period of time and receiving cash rewards. The general principle of the purpose of implementing the lease is to optimize the utilization of regional property that has not been used in the implementation of the duties and functions of local government. The lease execution period is carried out for a maximum of 5 (five) years and can be extended. Then for the amount of rental rates, it is determined in the rules set by the Regional Head.

Borrow Wear;

Lending and use is the transfer of the use of goods between the central government and local governments or between regional governments within a certain period of time without receiving compensation and after the period expires it is handed back to the Governor / Regent / Mayor. The general principle of borrowing in addition to optimizing regional property is that the object of borrowing is prohibited from being used by borrowers. The period of lending and use is carried out for a maximum of 5 (five) years and can be extended.

Utilization Cooperation (KSP);

KSP is the utilization of regional property by other parties within a certain period of time in order to increase regional revenue or other sources of financing. KSP is implemented if there are no or insufficient funds available in the APBD to meet the operational costs, maintenance, and/or repairs needed for regional property in collaboration with KSP partners. The period of implementation of KSP is carried out for 10 (ten) years and can be extended by making a fixed contribution to the Regional Government during the operating period. The object of KSP is land and/or buildings and other than land and/or buildings, either in part or in whole.

Wake Up to Surrender (BGS) or Wake Up Surrender (BSG);

BGS is the utilization of regional property in the form of land by other parties by constructing buildings and/or facilities and facilities, then utilized by the other party within a certain agreed period, to then hand over land along with buildings and/or facilities and facilities after the expiration of the period, while BSG is the utilization of regional property in the form of land by other parties by constructing buildings and/or The facilities and facilities, and after completion of construction are handed over to be utilized by the other party within a certain agreed period.

The period of BGS/BSG implementation is carried out for a maximum of 30 (thirty years), with the amount of annual contribution calculated from the multiplication of the percentage of annual contribution with the fair value of regional property to be carried out BGS or BSG. Within the operating period, at least 10 percent of the proceeds of BGS or BSG must be used by the local government for the implementation of government duties and functions. BGS/BSG objects are government-owned land that is idle.

Infrastructure Utilization Cooperation (KSPI).

KSPI is a collaboration between the government and business entities for infrastructure provision activities in accordance with the provisions of laws and regulations. The period of implementation of KSPI is a maximum of 50 (fifty) years, with the calculation of profit sharing considering the investment value of the local government, the investment value of KSPI partners, risks and characteristics of the infrastructure built. Types of infrastructure that are widely built and can be collaborated with cooperation/private partners include: (1) Development of transportation infrastructure; (2) Road infrastructure development; (3) Development of irrigation infrastructure; (4) Development of drinking water infrastructure; (5) Development of wastewater infrastructure and waste facilities; (6) Development of telecommunication infrastructure; (7) Development of electricity infrastructure; and (8) Development of oil and gas infrastructure;

Table 2 Recapitulation of Regional Property Utilization Patterns On the Land of the Old Office House of the Regent of Ketapang and the Local Government Mess

No	Utilization Pattern	Beneficial Parties	Period	Contribution
1.	Borrow and Use	Central Government or between Local Governments	5 Years and extendable	None
2.	Rent	5 SOEs; 6 BUMD; 7 Private: BAB 1 Individual; BAB 2 Fellowship (Civil, Firm, Private); BAB 3 Limited Liability Company BAB 4 Institution BAB 5 Foundation BAB 6 Cooperation 8 Other Legal Entities.	5 Years and extendable	Rental Value
3.	KSP	KSP Partners through Tender: 1. SOEs; 2. BUMD; 3. Private, except individuals	10 Years	Fixed Contribution

No	Utilization Pattern	Beneficial Parties	Period	Contribution
4.	BGS/BSG	BGS/BSG Partners Tender: 1. SOEs; 2. BUMD; 3. Private, individuals; 4. Other Legal Entities.	via At most 30 years except	Annual Contribution + Direct Contribution of 10%
5.	KSPI	KSPI Partners Tender: 1. PT; 2. SOEs; 3. BUMD; 4. Cooperation;	through At most 50 years	Annual Contribution

Source: Permendagri Number 19 of 2016 (processed)

Table 2. displays a recapitulation of the pattern of utilization of regional property on the tumah land of the old position of the Regent of Ketapang and the Regional Government Mess, where based on its characteristics, the utilization pattern that can be carried out by the Regional Government and cooperation partners is by building and handing over (BGS). This utilization pattern has a maximum utilization period of 30 years and the local government gets an annual contribution and 10 percent of the use of facilities built by cooperation partners.

This utilization pattern is an engagement between the local government and cooperation partners in a leases agreement, where cooperation partners are given the flexibility to cultivate and develop land and erect buildings on it provided that after the lease period expires the land and everything that stands on it is fully handed over to the local government.

The pattern of utilization with BGS makes the local government has no control over the operations and utilization carried out by cooperation partners and does not have any responsibility both during the period of cooperation and after the period of cooperation. The local government as the owner of the land will get a portion of economic benefit sharing based on a certain percentage of net income obtained from land use (revenue sharing) for the development of alternative culinary center buildings.

Estimation of Economic Benefits

Estimation of economic benefits is the acquisition of income for local governments and cooperation partners for the use of research objects in the form of business agreements based on mutually beneficial conditions. Utilization of assets in idle conditions for local governments is to optimize the utilization of regional property in order to realize the most optimal potential of untapped assets. The realization of the optimal potential of assets is carried out by conducting an analysis of the highest and best use and determining the most optimal tariff according to the highest and best use, while for cooperation partners, the utilization of regional property is carried out based on investment feasibility considerations, where if the investment is declared financially feasible it will be able to provide the level of return on investment expected by the cooperation partner.

The estimation of economic benefits obtained if land use in the research object is carried out with the BGS pattern by cooperation partners, carried out in the form of annual contributions, which are cash income obtained by the local government from the use of research objects. The local government also earns non-cash income in the form of direct use of some research objects during the cooperation period of at least 10% (ten percent). The annual contribution is obtained from multiplying the percentage of fixed contributions by the fair value of the object of study. According to (Purnama, 2019), That tariffs on the use of government-owned assets can be made more simply, objectively and feasible for the

cooperating parties. Simple tariff calculations will make the approval process shorter so that asset utilization can be done more optimally. Objective tariff calculations will facilitate analysis in determining the amount of tariffs and provide better consideration in decision making, so that the tariffs set become feasible for cooperation partners and do not harm local governments. The proportion or profit share for the most frequently used contribution years is 60/40, 65/35, 70/30 of net income, with a larger portion going to the cooperation partner due to consideration of the risks borne by the cooperation partner (Faiz & Edirisinghe, 2009).

According to (Runiawati, 2017), In the case of the implementation of a cooperation agreement between the local government and cooperation partners in the form of Regional-Owned Enterprises, fixed contributions and profit sharing can be set at a maximum of 70% (seventy percent) of the revenue calculation, so that the estimated economic benefits that can be made between the local government and cooperation partners are illustrated by 3 (three) patterns of profit sharing from the net income of the construction of a culinary center.

The first illustration is the proportion of 60/40 distribution, where cooperation partners get a profit share of 60 percent and the local government gets a portion of 40 percent of the net profit from the construction of culinary centers. Table 3. illustrates the illustration of the distribution of economic benefits with a portion of 60/40.

Table 3 Illustration of the Proportion of Estimated Economic Benefit Sharing 60/40 for Alternative Use of Culinary Centers on the Land of the Old Office House of the Ketapang Regent and Local Government Mess

Year	Net income	Regional Government	Cooperation Partners
0	-	0	0
1	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
2	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
3	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
4	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
5	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
6	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
7	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
8	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
9	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
10	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
11	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
12	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
13	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
14	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
15	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
16	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
17	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
18	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
19	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
20	4.460.159.600,00	1.784.063.840,00	2.676.095.760,00
		35.681.276.800,00	53.521.915.200,00

Source: Author's Calculation Results for 2022 (processed)

Table 3. illustrates the proportion of estimated economic benefit sharing with a 60/40 pattern, where during the BGS agreement period, cooperation partners get 60 percent of net profits from land use, while local governments get 40 percent of net profits from asset management in collaboration with cooperation partners. The estimated economic benefits obtained by the cooperation partners are Rp. 53,521,915,200.00 and the local government obtains economic benefits of Rp. 35,681,276,800.00 within a period of 20 years (Sriastiti, Ningsih, & Yasa, 2020).

The second illustration is with a 65/35 share proportion, where cooperation partners get a profit share of 65 percent and the local government gets a portion of 35 percent of the net profit from the construction of culinary centers. Table 4. illustrates the illustration of the distribution of economic benefits with a portion of 65/35.

Table 4 Illustration of the Proportion of Estimated Economic Benefit Sharing 65/35 For Alternative Use of Culinary Centers on the Land of the Old Office House of the Ketapang Regent and Local Government Mess

Year	Net income	Regional Government	Cooperation Partners
0	0	0	0
1	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
2	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
3	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
4	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
5	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
6	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
7	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
8	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
9	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
10	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
11	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
12	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
13	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
14	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
15	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
16	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
17	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
18	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
19	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
20	4.460.159.600,00	1.561.055.860,00	2.899.103.740,00
		31.221.117.200,00	57.982.074.800,00

Source: Author's Calculation Results for 2022 (processed)

Table 4. illustrates the proportion of estimated economic benefit sharing with a 65/35 pattern, where during the BGS agreement period, cooperation partners get 65 percent of net profits from land use, while local governments get a 35 percent portion of net profits from asset management in collaboration with cooperation partners. The estimated economic benefits obtained by the cooperation partners are Rp. 57,982,074,800.00 and the local government obtains economic benefits of Rp. 31,221,117,200.00 within a period of 20 years.

The third illustration is the proportion of 70/30 distribution, where cooperation partners get a profit share of 70 percent and the local government gets a portion of 30 percent of the net profit from the construction of culinary centers. Table 5. illustrates the illustration of the distribution of economic benefits with a portion of 70/30.

Table 5 Illustration of the Proportion of Estimated Economic Benefit Sharing 70/30 for Alternative Use of Culinary Centers on the Land of the Old Office House of the Ketapang Regent and Local Government Mess

Year	Net income	Regional Government	Cooperation Partners
0	0	0	0
1	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
2	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00

3	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
4	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
5	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
6	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
7	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
8	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
9	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
10	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
11	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
12	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
13	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
14	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
15	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
16	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
17	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
18	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
19	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
20	4.460.159.600,00	1.338.047.880,00	3.122.111.720,00
		26.760.957.600,00	62.442.234.400,00

Source: Author's Calculation Results Data for 2022 (processed)

Table 5. illustrates the proportion of estimated economic benefit sharing with a 70/30 pattern, where during the BGS agreement period, cooperation partners get 70 percent of net profits from land use, while local governments get a 30 percent portion of net profits from asset management in collaboration with cooperation partners. The estimated economic benefits obtained by the cooperation partners are Rp. 62,442,234,400.00 and the local government obtains economic benefits of Rp. 26,760,957,600.00 within a period of 20 years.

Based on the three illustrations that have been explained, the proportion of 65/35 can be used as an alternative choice for local governments and cooperation partners in the application of land use through the BGS mechanism on the land of research objects with alternative buildings in the form of culinary centers. This proportion provides potential PAD for local governments amounting to 35 percent of annual revenue, and for cooperation partners by 65 percent. The portion of profit sharing from cooperation partners is greater than the profit of local governments, this considers that cooperation partners have risks in investment and implementation of cooperation agreements (Munte & Sijabat, 2023).

CONCLUSION

Based on the results of research and discussions that have been carried out, several conclusions are obtained as follows: (1) Commercial buildings that provide the highest value and the best use are alternative uses for culinary centers. Investment for the use of culinary centers meets the criteria of physical, legal, financial feasibility and maximum productivity, with a 5-year 8-month capital return and provides a profit ratio of 1.70; (2) The pattern of good utilization cooperation carried out by the local government is the build-to-handover pattern (BGS), which is a pattern of utilization carried out with cooperation partners, where the cooperation partners build, then use and after the agreement period ends the building is returned or handed back to the local government during the utilization period the cooperation partner contributes to the local government; and (3) The development of culinary centers through asset optimization policies with the best HBU provides economic benefits for PAD with an estimated contribution value of at least Rp. 31,221,117,200.00 within a span of 20 years.

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