

Explanation of ANR PILOT Payment Increase from FY '14 to FY '15

The ANR FY '14 PILOT budget request was for \$2,153,733 and the FY '15 budget request was for \$2,851,821. This represents an increase in the budget request of \$698,088 or a 32% increase. The following is a breakdown of the three sources of this increased request.

The biggest source of the increase is from PVR's revaluation. Periodically PVR reexamines its property valuation model and makes changes to their formulas in an attempt to make the values more accurately reflect market prices. The reason for the large increase according to Bill Johnson, the Director of PVR, is that, "...in the last several years there have been a fair number of sales of large land tracts in VT and on average they support significantly high values." The PVR revaluation amounted to an increase of \$564,033 or 81% of the total change from FY '14 to FY '15.

The other changes that were made to PVR's values were corrections to the Developed Ski Areas. The acreage that was identified in PILOT as developed ski areas was out of date and, at the request of the State Auditor, was updated. Developed parcels are valued at the 3x high rate than undeveloped parcels, so the increase in reported acres transferred into an increase in our PILOT. This amounted to an increase in PILOT of \$61,668 or 9% of the total change.

The other increase is from our estimation of this year's new acquisitions and additional funds to buffer us against any possible settlements with towns. This year's estimate included some fairly large acquisitions including the Bolton Nordic addition to Mt. Mansfield SF and the Yankee Lands additions by Fish and Wildlife. The estimate amounted to a \$72,387 or 10% of the total change.

