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Executive Summary
Geomancer Prototype Demonstration for Washington County
May 1, 2019

The Federalism Commission for the State of Utah contracted with Geomancer, Inc. to produce a software prototype, in order to derive a value for all Federal lands within Washington County. Geomancer was also to provide an analysis of the current PILT payments within the County relative to the actual value and accompanying potential property taxes of the Federal lands within its borders.

Geomancer created a software prototype and consequently evaluated these lands by importing data from a wide array of Federal, State, and local sources. This data consists of 65 different property-specific variables and adjusts the value up or down using an automated algorithm. These variables include such things as topography, flood zones, soil condition, proximity to infrastructure, etc. This data, all automatically collected in real time, produces a land residual value, which is the true intrinsic value of the land based on the property use type selected by the user.

In the prototype demonstration, Geomancer provided the Federalism Commission with its analysis and determined that the PILT payments for Washington County were substantially less than the actual property taxes that could be generated on the land. Geomancer provided two specific property samples, as well as an aggregate property tax evaluation on all Federal lands within the County. Its findings were as follows:

- **Property Sample #1 (1,000 acres within Hurricane City)**
 - Current PILT payment: \$2,710
 - Property Tax using the lowest property use type (Recreational): \$11,668
 - Property Tax based on a full development build out: \$14,425,029

- **Property Sample #2 (2,000 acres within unincorporated Washington County)**
 - Current PILT payment: \$5,420
 - Property Tax using the lowest property use type (Recreational): \$23,337
 - Property Tax based on a full development build out: \$28,850,058

- **All Federal lands within Washington County**
 - Current PILT payment: \$3,100,000
 - Property Tax using the lowest property use type (Recreational): \$12,000,000
 - Property Tax based on the State's Resource Master Plan: \$18,000,000
 - Property Tax based on a full development build out: \$105M-\$300M

With regards to the aggregate analysis for the County, Geomancer noted that the potential property taxes for Washington County alone, using a value based on the State's Resource Master Plan, constituted 51% of the current PILT for the entire State of Utah.

In addition, the aggregate potential property tax of \$105M-\$300M generated by fully developing the land, constituted utilizing less than 1% of the total Federal land acreage or 10,000 of the 1,100,000 total acres in the County.

The algorithm and accompanying software created and utilized by Geomancer for the purposes of valuing the Federal lands of Washington County has been tested and verified by some of the largest real estate developers as well as the largest commercial real estate brokerage firm in the State. Geomancer is confident in the values and determinations demonstrated to the Federalism Commission and believes the software could be a tremendous benefit in furthering the PILT discussion for the State of Utah.