

Figure 8

Town of xxxxx IPA - LCHIP Grant Award (Easement Acquisition)

Property Details and Terms:	
Acres	100
Appraised Fair Market Value	\$1,000,000.00
Appraised Fair Market Value Per Acre	\$10,000.00
Appraised Easement Value	\$600,000.00
Appraised Easement Value Per Acre	\$6,000.00
Appraised Easement Value/FMV Ratio	60.00%
Discounted IPA Value	\$400,000.00
Discounted IPA Value Per Acre	\$4,000.00
Discounted IPA Value/FMV Ratio	40.00%
Interest Rate	5.00%
Term in Years	15

LCHIP Worksheet:	
Grant Award (50% of Appraised FMV)	\$300,000.00

Town Worksheet:	
Zeros Price	50.000%
Initial IPA Cost (Principal)	\$200,000.00
Initial IPA Cost Per Acre	\$2,000.00
Initial IPA Cost/FMV Ratio	20.00%
Interest Cost (50% Match to LCHIP)	\$300,000.00
Final IPA Cost (Principal+Interest)	\$500,000.00
Final IPA Cost Per Acre	\$5,000.00
Final IPA Cost/FMV Ratio	50.00%
LCHIP Grant Less Zeros Cost	\$100,000.00
Excess Funds Available for Next Acquisition	\$100,000.00

Landowner Worksheet:	
IPA Principal Payment	\$400,000.00
IPA Interest Payments	\$300,000.00
IPA Total Payments	\$700,000.00
Income Tax Deduction*	\$200,000.00
Final IPA Value	\$900,000.00
Final IPA Value Per Acre	\$9,000.00
Final IPA/FMV Ratio	90.00%

*Assuming full-time farmer taking 100% deduction