

1984
ANNUAL REPORT
Nantucket Land Bank Commission

The Land Bank, believed to be the first and only of its kind in the nation, came into being on Nantucket following a vote of 293 to 12 to accept Act 669 of the Acts of 1983 of the Commonwealth of Massachusetts (The Nantucket Islands Land Bank Act) at a Special Town Meeting held January 17, 1984. The Act became effective on February 1, 1984.

Membership

An interim Commission was appointed by the County Commissioners to serve from February 1 until the annual elections in April. Its members were: Charles Walsh, Wayne Viera, Kenneth W. Holdgate, Jr., Julie A. Fitzgerald and John McLaughlin.

Voters at the April 2, 1984 Annual Townwide election chose among 16 candidates the following regular five members of the Land Bank Commission:

Phillip Bartlett	1 Year Term
Wayne Viera,	2 Year Term
Carl Borchert	3 Year Term
John McLaughlin	4 Year Term
Kenneth W. Holdgate, Jr.	5 Year Term

The Commission began meeting on the second and fourth Tuesdays of each month to oversee and administer the proceeds of the two-percent transfer fee, and to discuss possible acquisitions. It also appointed Wayne Viera as Chairman and John McLaughlin as Secretary/Treasurer.

Revenues

In the first eleven months of the existence of the Land Bank, a total of 979 real estate transfers were processed and reviewed by the Commission. There were 379 transfers, or 38.7 percent, which were exempt from the transfer fee, most of which involved transfers for no consideration. Total real estate sales for the period February 1 to December 31, 1984, including both exempt and non-exempt transactions, amounted to \$84 million dollars. This resulted in \$1,625,130 being collected in fees or an average of \$33,857 per week.

The Commission invested most of its cash balance in interest bearing certificates of deposit leaving a modest balance in its checking account. As of December 31, 1984, the Commission had over one

million dollars invested in CD's which, together with interest on its checking account, earned it \$39,462 in interest for the year.

Staffing, Office Space and Operating Expences

The Land Bank Commission received staff assistance during its initial six months of existence from the NP&EDC and the office of the Town & County Treasurer. In June, the Personnel Board approved the Land Bank's request for the creation of a full-time Assistant Planner position. In July the Commission filled the position by hiring Diane Blease who, among other things, took over the responsibility of fee collection from the Treasurer's office. In addition, Mr. William Klein, Director of the NP&EDC, served as an advisor to the Land Bank during 1984. Office space was secured on the first floor of the Town & County Building within easy reach of the Registry of Deeds and other necessary Town records. Total operating expences including staff salaries, legal, travel, recording fees and office supplies amounted to \$13,958 in 1984, or less than one percent of the Commission's revenues.

Procedures

In the early months following the enactment of the legislation, the Commission prepared and revised a "Procedural Guide for Attorneys and Brokers" to facilitate an understanding of the Act. The guide describes how the Act is to be administered by explaining who is liable for the payment of the fee, what forms are required to be completed and where the fee is to be paid. It also discusses what is meant by "real property interest" and "purchase price", explains each of the thirteen exemptions, and reviews the enforcement provisions of the legislation. The Commission also prepared Forms A, B and C for use by purchasers during property transfer. A computerized records system was set up which will enable members to review transfers made in an efficient manner. The system will also enable members to have ready access to up-to-date land value data which will be extremely useful when the Commission is negotiating acquisitions. In all, the implementation of fee collection and transfer review procedures went far more smoothly than had been anticipated considering the newness of the concept.

Acquisitions

The Commission acquired by negotiated sale two parcels of land in 1984. Both parcels were financed "out-of-pocket".

* Turner Property: On June 29 the Commission purchased a one-half acre buildable lot on South Gully Road abutting the Town beach at Siasconset for \$110,000. The property constituted an 86 lineal foot

gap in over a mile of Town beachfront. The Commission felt this was a high priority acquisition because: (a) the land provided approximately 86 linear feet of frontage on the Atlantic Ocean; (b) it immediately abutted Town owned land on three sides, the southerly abutting property being a life-guarded Town beach; (c) the lot contained enough upland area to meet the increased demands for parking in the future; and (d) the lot was about to be sold as a house site.

* Gray Property: On July 2 the Commission purchased a three-quarter acre buildable lot on Western Avenue abutting the Town beach at Surfside for \$100,000. The Commission felt that this also was an important acquisition as it provided about 13 percent more land area to Surfside Beach, including more parking area, and provided approximately 37 additional linear feet of oceanfront.

Agreements of Sale

The following purchase and sale agreements were negotiated and executed by the Commission in 1984 for closings in 1985:

* Fowlkes Property: 53.25 acres on Polpis Road abutting the Windswept Cranberry Bog (NCF) and land of Nantucket Ornithological Association, by negotiated sale. Property includes bog, pond and upland hills which border on the Central Moors. Price: \$575,000. Closing date: January 9, 1985.

* 3-M Realty Trust Property: Five parcels amounting to 160 acres off Bartlett and Somerset Roads including the nine-hole Miacomet Golf Course, frontage on Miacomet Pond, by negotiated purchase. Abuts GSA property. Price: \$4.5 million. Closing date: March 8, 1985.

* GSA Property: 35.73 acres as part of a joint acquisition with the Town of Nantucket of 142 acres of coastal heathlands at Mioxes Pond on the south shore of the Island. The Commission matched private donations dollar-for-dollar up to \$200,000 which raised over \$250,000 in private giving from Nantucket residents and from friends of Nantucket all over the country. The Town will receive 80 acres at no cost and has agreed to pay \$300,000 for an additional 26 acres. Price (for Land Bank share): \$450,000. Closing date: Spring, 1985.

The Commission actively negotiated in 1984 for a number of additional tracts involving shorefront and interior moorlands which, it is hoped, will be under agreement in 1985.

Amendments to the Act

Chapter 411, An Act Amending the Nantucket Islands Land Bank Act was

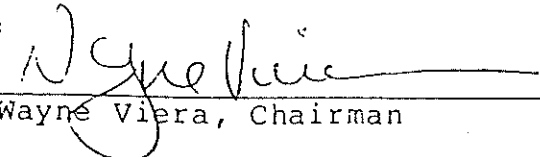
passed by the Massachusetts Legislature and signed by Governor Dukakis on December 28, 1984. The amendment made some minor changes to the Act including a provision which would insure that the title to all funds and other properties will vest with the Town of Nantucket upon the termination or dissolution of the Land Bank. For those claiming an exemption from the transfer fee on the basis that the property purchaser is a first-time home buyer, the amendment extends the time requirement for becoming domiciled at the property in question from one year to two years. A number of first-time purchasers had expressed concern that one year did not allow sufficient time to obtain the required permits, construct the home, and move in.

The most important change afforded by Chapter 411 was the amendment which gave the Land Bank Commission authority to incur debt, including the issuance of revenue bonds, on its own initiative and without the vote of Town Meeting. This would allow the Commission to operate in a manner similar to a turnpike, port or airport authority in the way it handles debt. The provision puts the Commission in a more competitive position when negotiating for land acquisitions by making it possible to secure funds quickly. It also takes some pressure off of the Town of Nantucket's credit rating.

Bond Issue

In 1984 the Commission prepared the ground work for accomplishing a major bond issue in 1985. A feasibility study was undertaken by Vollmer Associates of New York in conjunction with E.F. Hutton & Company on the feasibility of the Land Bank Commission issuing revenue bonds. It is estimated that eight to ten million dollars could be made available to the Commission through a bond sale based on projected revenues. The 62-page feasibility study, the consultant cost for which could have been \$5,000 to \$10,000, was prepared by the well-respected engineering and design firm of Vollmer Associates at no cost to the Commission, thanks to Main Street resident Arnold Vollmer.

Respectfully Submitted,



Wayne Viera, Chairman