

1985  
ANNUAL REPORT  
Nantucket Land Bank Commission

The Nantucket Land Bank was established for the purpose of acquiring, holding, and managing land important for the future conservation and recreation needs of the Island. During 1985, the second year of its existence, the Land Bank Commission concentrated efforts on acquiring open space resources to ensure the integrity of Nantucket's unique natural landscape.

**MEMBERSHIP**

The Land Bank is governed by a five-member Commission. Commission members are elected to staggered five-year terms of office and serve without compensation.

At the Annual Town Election held April 1, 1985, voters chose between two candidates and re-elected Philip Bartlett to a five year seat. John F. McLaughlin resigned his post as a Land Bank Commissioner on May 30, 1985. This vacancy was filled on June 26th by the appointment of Charles L. Walsh. Mr. Walsh will serve as an interim Commissioner until the 1986 Annual Town Election.

Present Land Bank Commissioners and the expiration of their terms of office are as follows:

<u>Name and Office</u>	<u>Expiration of Term</u>
Wayne J. Viera, Chairman	April, 1986
Kenneth W. Holdgate, Jr., Vice Chairman	April, 1989
Carl F. Borchert, Secretary/Treasurer	April, 1987
Philip D. Bartlett, Vice Secretary/Treasurer	April, 1990
Charles L. Walsh (Appointed Interim Commissioner)	April, 1986

**MEETINGS**

The Commission holds Regular Meetings on the second and fourth Tuesday of each month and additional Special Meetings as needed. During 1985 the Commission called 37 meetings to order for the purposes of attending to operating needs, establishing procedural policy, monitoring real estate transfers and fee collection, and to discuss property acquisition.

INCOME

The Land Bank derives its income from a two percent real estate transfer fee which is levied against most real estate transfers. Other sources of income have included cash contributions by private citizens and interest income.

In 1985, a total of 1,464 real estate transfers were processed and reviewed by the Commission and its staff. Thirty-eight percent (561) of the transfers were exempt from paying the Land Bank Fee. Of those that were exempt, 49 were first-time buyers of real estate (exemption "M"). Total real estate sales for the period from January 1 to December 31, 1985 amounted to \$153 million. This resulted in \$2,746,250 being collected in Land Bank Fees, or an average weekly income of \$52,813.

The Land Bank received \$1362 in unrestricted cash contributions during 1985. Nearly half of those contributions were gifted to the Philip Hicken Memorial Fund. In addition, \$474,695.56 were received as restricted gifts to be applied exclusively toward specific acquisitions. Of the restricted contributions, \$40,668 were contributed toward the GSA Property purchase. The Land Bank also received \$350,027.56 in restricted contributions, to be used to acquire the beach-front Cassels Property. Eighty-four thousand dollars in contributions were received in December to be used for an acquisition scheduled to close during 1986.

Land Bank revenues and contributions were deposited in interest bearing instruments which netted the Commission \$258,385.06 in interest in 1985.

---

Land Bank Income

	<u>1984</u>	<u>1985</u>
Number of Transfers	973	1464
Exemptions	39.7%(387)	38.3%(561)
Gross Sales of Real Estate	\$86 million	\$153 million
Revenues Collected, 2% Transfer Fee	\$1.6 million	\$2.7 million
Mean Income per Week	\$31,836	\$52,813
Private Contributions	\$238,733	\$476,057
Interest Earned	\$39,462	\$258,385
Total Income	\$1.9 million	\$3.5 million

---

## STAFFING, OPERATING EXPENSES AND OFFICE SPACE

Dawn B. Darbey served as Assistant Planner to the Land Bank beginning in April 1985 after the resignation of Diane Blease. In August the Personnel Board approved the Land Bank Commission's request for the creation of a full-time secretarial position. Wendy J. Clinton was hired to fill the full-time position. William R. Klein, Director of the NP & EDC, continued to serve as Advisor to the Land Bank. The Land Bank retains office space on the first floor of the Town and County Building. Expenses for staffing and advisory services totalled \$29,198.29. Other Operating expenses, including appraisals, legal services, recording fees, advertising, office supplies, postage, travel, printing, taxes, telephone, and property maintenance, amounted to \$118,090.10.

## 1985 TOWN MEETING ACTION

The Nantucket Land Bank Commission sponsored 4 warrant articles which were put before Town Meeting in April, 1985. Three were carried with overwhelming support of the meeting while one was turned down by a margin of two votes.

Article 28, a technical amendment to the Land Bank Act, was endorsed by an unanimous vote of the assembly and was enacted by the State Legislature in late July. The amendment added a stronger severability clause to the Act which strengthened it against legal challenge. In so doing, the Land Bank Commission was able to proceed with the issuance of a major bond issue.

In Article 46 the Town voted to pledge full faith and credit behind the borrowing of \$4.5 million for the purchase of the former Somerset Farm and Miacomet Golf Course.

Two articles requesting eminent domain authority from the Town were before Town Meeting in 1985. Article 47 pertained to 81 acres known as Miacomet Park. This Article was marginally turned down at that time. In Article 48, the Town authorized an eminent domain taking of 64.2 acre (the Munson Property) located on the east side of Long Pond. (The Commission never exercised this authority due to a subsequent negotiated agreement with the seller.)

## BOND ISSUE

The most significant single event to take place in 1985 was the issuance of \$11.05 million in Land Acquisition Bonds. The Bond Issue closed September 4th and resulted in \$10.5 million in net proceeds being added to the Land Bank's purchasing power.

Working closely with a team of experts, the issue was tailored to meet the Land Bank's special needs. The team included: Shearson/Lehman Brothers (Underwriter), Ropes & Gray (Bond Counsel), State Street Bank & Trust Company (Trustee), and Shawmut Bank of Boston (Financial Advisor).

The bond package consisted of \$9.34 million worth of current interest serial and term bonds and \$1.71 million in capital appreciation bonds. All the bonds were insured by the Municipal Bond Insurance Association (MBIA) and received an AAA rating.

A large portion of the bond proceeds was used to refinance \$8 million in short term land acquisition debt. By issuing bonds, the Land Bank Commission vastly improved its immediate purchasing power, enabling the purchase of more land in 1985 rather than paying higher land prices later. The Issue gave individual investors, many of whom were local residents, an opportunity to participate directly in the preservation of the Island's open space resources by investing in Land Acquisition Bonds (a tax free investment).

Administration of the bond proceeds and repayment by the Land Bank is being handled by the Trust Department of the State Street Bank and Trust Company. The Land Bank will repay bondholders over a 20 year period at a True Interest Cost (TIC) of 8.8 percent. Debt service will vary between \$.8 million and \$1.2 million per year over the term of the debt.

## ACQUISITIONS

The Land Bank acquired 351.62 acres of prime open space and recreational land in 1985. Of the 13 properties acquired, two were by outright gift while one was by partial gift. The remaining 10 purchased properties were financed either by short term bond anticipation notes (BAN), which were later refinanced with bond proceeds, or directly "Out of Pocket". The following is a list of 1985 acquisitions in chronological order.

1. Fowlkes Property: 53.24 acres of upland hills, pond and bog which border the Central Moors and abut properties of the Nantucket Conservation Foundation and Nantucket Ornithological Association. Price: \$575,000. Date Acquired: January 10, 1985. Financing: BAN, refinanced with 20-yr. bond issue.

2. Kreisler Property: 21.30 acres of coastal heath along the west side of Miacomet Pond, south of the Land Bank's Miacomet Golf Course and GSA Properties. Price: \$398,000. Date Acquired: February 21, 1985. Financing: BAN, refinanced with 20-yr. bond issue.

3. Miacomet Golf Course Property: 158 acres off Bartlett and Somerset Roads. The tract abuts the Land Bank's GSA Property and fronts on Miacomet Pond. It includes the nine hole Miacomet Golf Course. Price: \$4,500,000. Date Acquired: March 11, 1985. Financing: Note held by seller, refinanced with 20-yr. bond issue.

4. Lily Pond Property: 5.9 acres purchased from Robert and Erna Blair. The acquisition includes the Lily Pond, a caretakers cottage, and surrounding acreage, located at 23 North Liberty Street. One half interest of this in Town "Pedestrian Sanctuary" was purchased in 1985, while the second half interest is scheduled to close in January of 1986. Total Price: \$450,000. Date Acquired: July 5, 1985 (First Half Interest). Financing: Out of Pocket.

5. Birge Property: Gifted by Walter and Susan Birge, this 1 acre parcel fronts along both Eel Point and Madaket Roads (124.17 linear feet of road frontage). It constituted the first gift of land to the Land Bank and is intended to be used for a portion of the proposed Madaket Bike Path. Price: Gift. Date Acquired: July 5, 1985.

6. GSA Property: This tract was a joint acquisition between the Land Bank and the Town of Nantucket involving 142 acres of coastal heath at Mioxes Pond abutting the Land Bank's Miacomet Golf Course Property. A total purchase price of \$750,000 was paid to the Federal Government at the July closing. At that time 16 acres were purchased by the Town and 35.73 acres were purchased by the Land Bank. The remaining 90.27 acres is to be transferred to the Town at a later date by the National Park Service at no cost to the Town. Two hundred eighty thousand dollars in contributions from private citizens made during 1984 and 1985 helped to pay over half of the Land Bank's share and a portion of the Town's share of the purchase price. Price: \$435,500 (Land Bank's share). Date Acquired: July 23, 1985. Financing: Out of Pocket and contributions.

7. Munson Property: 64.2 acres abutting Conservation Commission property. The tract includes over 3000 linear feet of frontage along the east side of Long Pond. An eminent domain taking had been authorized by the Town but a purchase price was ultimately negotiated. Price: \$2,500,000. Date Acquired: August 12, 1985. Financing: BAN, refinanced with 20-yr. bond issue.

8. Cassels Property: 3.3 acres on the Atlantic Ocean abutting conservation land at the west side of Miacomet Pond. The property consists of 175 linear feet of beach frontage, dune and coastal heath environment. The purchase was made possible by contributions of 2 abutters whose gifts of over \$350,000 in cash and securities were applied to the purchase price. Price: \$525,000. Date Acquired: September 16, 1985. Financing: Bond proceeds and contributions.

9. Long Pond Property: 4.9 acres including 1550 feet of frontage along the west side of Long Pond and 955 feet along Madaket Road. The property abuts Town owned land at Crab Bridge Park and at the time of purchase was under the threat of development. A strip of road frontage was set aside for the Madaket Bike Path. Price: \$385,000. Date Acquired: November 22, 1985. Financing: Out of Pocket.

10. Pearson Property: .21 acres gifted by Whitman Pearson constituted the Land Bank's second gift of land and first acquisition in Miacomet. This ocean front property consists of dunes and 50 feet of frontage on the Atlantic. Price: Gift. Date Acquired: November 22, 1985.

11. Greene Property: 1.95 acres of ocean front property in 'Sconset to be used as a "Pedestrian Sanctuary". This property abuts Town property to the south and includes 200 feet of beach frontage at the base of the 'Sconset Bluff. Price: \$175,000. Date Acquired: December 11, 1985. Financing: Note held by seller.

12. Murray Property: 1.7 acres (18 separate lots) located at Miacomet Park. Three of the lots were gifted. Price: \$220,000 and Gift. Date Acquired: December 20, 1985. Financing: Note held by seller.

13. Montgomery Property: .14 acres (1 buildable lot) located at Miacomet Park. Price: \$30,000. Date Acquired: December 20, 1985. Financing: Out of Pocket.

In addition to the properties listed, the Commission has already negotiated and executed Purchase and Sales Agreements for over 200 acres of land which are scheduled for acquisition in the years ahead.

The following map illustrates the general locations of the 1985 Nantucket Land Bank Acquisitions. (Numbers correspond to the property numbers listed above.)

