

1987
ANNUAL REPORT
Nantucket Land Bank Commission

Nantucket Islands Land Bank was established by an Act of the Massachusetts Legislature in 1983, for the purpose of acquiring, holding, and managing land important to the future open space and recreation needs of the Island including: beaches, dunes, moorlands, wetlands, and land providing public access to the harbor and ponds.

Funds needed to acquire significant open space are generated through the collection of a property transfer fee which is levied against most real estate transactions. These proceeds are deposited into a revolving fund and used to purchase land for the benefit of the public.

The following is a summary of Land Bank activity during calendar year 1987.

MEMBERSHIP

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

At the April 6, 1987 Annual Town Election one Land Bank seat was voted upon. Carl F. Borchert ran unopposed and was re-elected to the five year seat.

The present Land Bank Commissioners and their terms of office are as follows:

<u>Name and Office</u>	<u>Expiration of Term</u>
Wayne J. Viera, Chairman	April, 1991
Kenneth W. Holdgate, Jr., Vice Chairman	April, 1989
Carl F. Borchert, Secretary	April, 1992
Philip D. Bartlett, Treasurer	April, 1990
Donald T. Visco, Vice Secretary/ Treasurer	April, 1988

MEETINGS

The Commission holds regular meetings on the second and fourth Tuesday of each month and additional special meetings as needed. In 1987 the Land Bank Commission called 24 meetings to order and served 40 hours administering Land Bank activities, including: formulating strategies for future financing needs, establishing policy, monitoring real estate transfers and fee collection, acquiring property, reviewing financial records, paying bills, responding to public inquiry, and otherwise overseeing all aspects of Land Bank operations.

REVENUES

The Land Bank derives the majority of its income from the collection of a two percent real estate transfer fee. During 1987 1152 real estate transfers were processed by the Land Bank for the year, of which 456 were exempt from the fee, or 39.6 percent. Forty-three (43) transfers were exempt on the basis of purchasers being first-time buyers of real estate. Revenues derived from fee collection in 1987 totalled \$3,387,716., a weekly average of \$65,148. Gross real estate sales for the year totalled \$181 million.

Besides collection of the transfer fee, the Land Bank also derives income through interest earned on bank accounts and investments, interest and penalties assessed against delinquent fees, private cash contributions, leasing of the Lily Pond Cottage and the Miacomet Golf Course, and the sale of Land Bank information packets. The total income derived from interest earned in 1987 was \$192,882.69. Private contributions and other miscellaneous income totalled \$488,678.89.

The chart which follows provides an annual summary of real estate transfers and Land Bank income from 1984 to 1987.

Land Bank Income Summary

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Number of Transfers	973	1464	1541	1152
Exemptions	39.7%(387)	38.3%(561)	28.4%(437)	39.6%(456)
Gross Sales of Real Estate	\$86 million	\$153 million	\$274 million	\$181 million
Revenues Collected,				
2% Transfer Fee	\$1.6 million	\$2.7 million	\$5.1 million	\$3.4 million
Mean Income per Week	\$31,836	\$52,813	\$98,858	\$65,148
Private Contributions, Misc.	\$238,733	\$476,057	\$4,856	\$488,679
Interest Earned	\$39,462	\$258,385	\$306,820	\$192,883
Total Income	\$1.9 million	\$3.5 million	\$5.5 million	\$4 million

OUTSTANDING DEBT

The Land Bank Commission continued to meet its 1987 debt obligations by making monthly transfers of funds toward repayment of the outstanding \$11.05 million in 1985 Land Acquisition Bonds. The Land Bank paid \$982,000 toward the debt in 1987, of which \$335,000 was paid in principal and nearly \$650,000 in interest.

The Land Bank repaid Land Purchase Note #11 which was issued to Boston Safe Deposit and Trust Company on December 29, 1986. Principal, in the amount of \$500,000 and interest running at 4.5 percent was paid May 29, 1987.

Two Land Purchase Notes issued by the Land Bank remain outstanding. Annual payments were made on both Notes during 1987. The balance due on these Notes, payable over the next three years, is as follows:

<u>Note</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Rate</u>
# 9	December 20, 1985	October 1, 1989	\$100,000	6%
#10	January 6, 1986	January 8, 1990	\$562,500	6.25%

ADMINISTRATIVE OFFICE, STAFF, AND OPERATING EXPENSES

In June of 1987 the Land Bank relocated its administrative headquarters to 4 North Water Street.

Administrative staff support continued to be provided by Resource Planner, Dawn B. Darbey. The position of Secretary was vacated by Wendy C. Jannelle on December 3rd, after serving the Commission for over two years. The position of Secretary was filled by Virginia Kinney. Planning Director William R. Klein maintained his role as Advisor to the Land Bank.

Salaries and wages for two full-time staffers and part-time advisor totalled \$44,195. General operating expenses of the Land Bank including costs related to legal services, appraisals, surveying, printing, office supplies, auditing, property maintenance, travel, postage, and telephone were \$145,799.43, or 3.6 percent of the total income generated during 1987. Real estate taxes paid to the Town were an additional \$84,619.96.

AMENDMENTS TO THE LAND BANK ACT

In 1987 the Land Bank Commission asked the Town's support of proposed technical amendments to the Land Bank Act. The amendments are designed to clarify language of the Act and to close loopholes discovered over the first three years of administration, and particularly to redefine the circumstances under which the Land Bank fee is imposed on transfers in the formation and dissolution of partnerships and corporations.

Town meeting support of the proposed amendments was unanimous, prompting the Land Bank Commission to instruct its representatives in the General Court to submit a Bill amending the Land Bank Act. The Bill was engrossed by the State Legislature before the end of the year and will take effect in February 1988.

PROPERTY MANAGEMENT

The Land Bank Commission encourages public use and enjoyment of the property which it holds. Management of this land falls under the direct supervision of the Commission, which oversees and implements maintenance on an as needed, parcel by parcel, basis.

To assist it in overseeing three of its properties, the Commission has entered into lease agreements with caretakers for the Lily Pond Property, and Long Pond (Munson) Property, and Miacomet Golf Course.

Since 1985, the Commission has retained a live-in caretaker at the Lily Pond Property, on a year-by-year basis, for the purpose of monitoring public use of that in-town park/sanctuary and to maintain a Land Bank presence on the premises. During 1987, the position was held by James Lengyel. Upon expiration of his term the position was awarded to Geddes Perkins.

A lease agreement for the Long Pond Property has been in place with the Maria Mitchell Association since June of 1986. This three year agreement allows the Association use of the Land Bank's Long Pond Munson House as a science field station in exchange for management of the premises.

At the suggestion of the Maria Mitchell Association in the fall of 1987, the Commission sought and received approval from the Executive Office of Environmental Affairs for placement of an Osprey nesting platform at a suitable location on the property. The platform was put in place with the hope of attracting a nesting pair of Osprey next spring.

In December of 1987 the Land Bank Commission entered into a long term (ten year) lease agreement with the Miacomet Golf Club (a non-profit charitable organization). The Club had been operating the golf course under a short term agreement since 1985. Under the new agreement the Club is responsible for continuing the operation and maintenance of the nine-hole golf course. The lease provides incentives to the Club for upgrading the quality of the existing course.

ACQUISITIONS

Since its inception in 1984, the Land Bank Commission has continued to focus its efforts on land acquisition. By the end of 1987 the Land Bank had acquired, either by outright purchase or gift, a total of 779 acres of prime open space, or 2.5 percent of the Island. (One hundred ten acres of this is leased for public use and slated for acquisition in 1995.)

The biggest challenge facing the Land Bank Commission in 1987 was coordinating a finite source of income while continuing an aggressive land acquisition program. With the last remaining proceeds of the 1985 Land Acquisition Bond expended in 1986, this year the objective was met by negotiating acquisitions which could be stretched over several months or years, involving both the State and national non-profit organizations in open land preservation on Nantucket, encouraging neighborhood participation in funding specific purchases, and otherwise negotiating bargain sale purchase prices for properties acquired.

In 1987 the Land Bank nearly doubled the linear feet of beach frontage that it holds around the island, bringing the total to 6651 feet. Pond frontage was increased to 6025 linear feet.

Nearly \$1,000,000 was expended on the acquisition of 24 acres, while \$192,500 was paid for property leased to the Land Bank at North Pasture. Of the new acreage acquired, 21 acres was waterfront land. The remaining 3 acres was made up by four small parcels including dune, wetland, and coastal heathland.

The following is a list of 1987 Land Bank acquisitions in chronological order.

1. Reed: 1.4 acres of ocean front land at Ocean Avenue in 'Sconset, abutting the Land Bank's Kinkade Property. The acquisition provides the public with an additional 75 linear feet of beach front access at 'Sconset.
Price: Gift
Date Acquired: January 6, 1987

2. Surfside Realty Trust: 5.84 acres of ocean front land at Madaquecham, abutting 25 acres of Land Bank property and adjoining a larger ocean front tract slated for acquisition over the next three years. The parcel adds 40 linear feet of ocean frontage to the Land Bank's holdings.
Price: \$225,000
Date Acquired: January 6, 1987
Financing: Out-of-Pocket Payment on Land Purchase Note #10

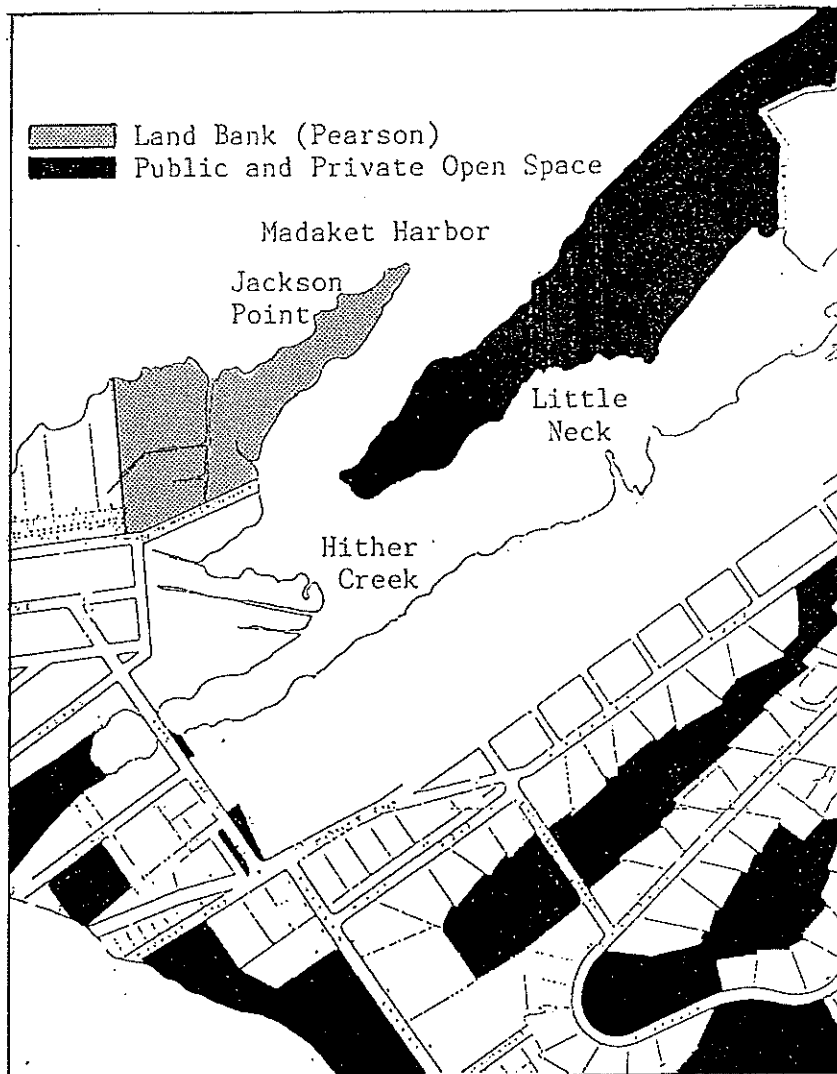
3. Keightley: .41 acres, including approximately 175 linear feet of pond frontage at Jeremy's Cove, Long Pond. The parcel abuts land of the Town and the Nantucket Conservation Foundation.
Price: \$6,000 (One-third undivided interest)
Date Acquired: May 1, 1987
Financing: Out-of-Pocket

4. Pearson: 8.6 acres of wetland and upland at Jackson Point, Madaket Harbor. The property is surrounded on two sides by water (2400 linear feet of frontage on the harbor) and is a popular clamming area.

Date Acquired: May 29, 1987

Price: \$100,000

Financing: \$85,000 Out-of-Pocket and \$15,000 contributed by a neighborhood resident.



5. Sweeney: .46 acre railroad Right-of-Way which dissects the Land Bank's 10 acre ocean front Kinkade Property at Low Beach, 'Sconset.

Price: \$10,000

Date Acquired: September 11, 1987

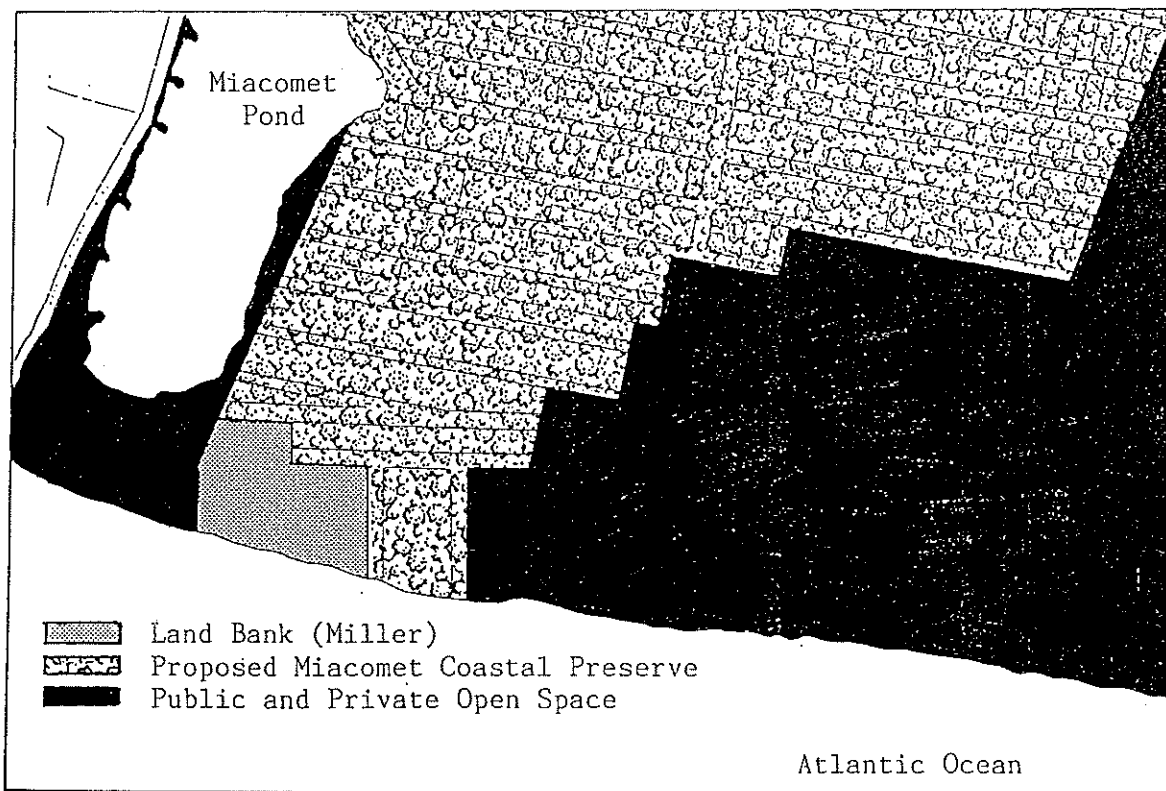
Financing: Out-of-Pocket

6. Miller: 3.13 acres of ocean front land at Miacomet, abutting Land Bank property. The tract consists of primary beach and dune east of Miacomet Pond and includes approximately 650 linear of frontage on the Atlantic Ocean.

Price: \$26,458.96

Date Acquired: September 16, 1987

Financing: Out-of-Pocket



7. Sachem Road: 2 acre parcel located at Sachem Road, in the vicinity of Reedy Pond. The parcel includes a wetland area which drains via a culvert into Reedy Pond. The acquisition was made after a concerned group of area residents offered to contribute the full purchase price of the property to the Land Bank, in order that the property be protected from future development. Half interest in the tract was conveyed in 1987, while the remainder is expected to be transferred to the Land Bank during 1988.
Price: \$470,000 (One half undivided interest)
Date Acquired: September 21, 1987
Financing: Contributions from area residents

8. McCreary: 1.6 acres of ocean front land at Low Beach in 'Sconset, adjacent to the Land Bank's Kinkade and Reed Properties. The parcel includes approximately 100 linear feet of frontage on the Atlantic Ocean. One half undivided interest in the parcel was purchased in 1987, while the remaining interest is scheduled to transfer to the Land Bank in the spring of 1988.
Price: \$74,000 (One half undivided interest)
Date Acquired: December 11, 1987
Financing: Out-of-Pocket



9. Miacomet Park: The Land Bank has continued to negotiate with known Miacomet Park property owners. During 1987 two separate buildable parcels amounting to .31 acres were purchased.
Prices: \$30,000 and \$35,000
Dates Acquired: March 4, 1987 and May 29, 1987
Financing: Out-of-Pocket

Besides the properties described here, another 100 acres has been contracted for acquisition during the early part of 1988.

The map which follows illustrates the location of Land Bank holdings in relation to other public open space and private conservation land on Nantucket.



NANTUCKET

-  LAND BANK PROPERTY
-  CONSERVATION LAND

