

NANTUCKET LAND BANK COMMISSION

1989 ANNUAL REPORT

Nantucket Islands Land Bank, operating since 1984, was created for the purpose of acquiring, holding, and managing land important to the open space and recreation needs of Nantucket.

The Nantucket Land Bank Commission faced many challenges during 1989, the most important of which was to secure the funding necessary to continue an active land acquisition program. The Commission also continued to face the challenge of protecting Nantucket's most significant and precious natural environments while, simultaneously, providing recreational opportunities to the public. During 1989 both of these major challenges were met.

The Commission went forward with a \$7 million bond issue which allowed the Land Bank to accomplish many critical land purchases, including the acquisition of 40th Pole beach, a first priority of the Commission's since 1984. The Land Bank Commission also achieved the delicate balance of providing the public with preserves for quiet respite from the pressures of everyday life and a variety of open spaces for recreational activities. Careful and sensitive planning of a network of walking paths on the Land Bank's 64 acre Long Pond Property opened new environments to be observed and enjoyed by the public.

THE COMMISSION AND STAFF

The Nantucket Land Bank Commission, a five-member elected Commission, administers all aspects of Land Bank operations. Commissioners serve without compensation for five-year terms acquiring land, establishing policy, managing and maintaining open space resources for the public, and applying the Land Bank Act in the transfer of real estate interests within the County of Nantucket.

In April of 1989, Kenneth W. Holdgate, Jr. stepped down from the Commission after serving a full five year term. At the Annual Town Election, held April 4, 1989, John D. Brock ran unopposed and was elected to the Commission.

The Commissioners and their terms of office are as follows.

<i>Commissioners</i>	<i>Expiration of Term</i>
Carl F. Borchert, Chairman	April, 1992
Donald T. Visco, Vice Chairman	April, 1993
Wayne J. Viera, Secretary	April, 1991
Philip D. Bartlett, Treasurer	April, 1990
John D. Brock, Vice Secretary/Vice Treasurer	April, 1994

Staff support was provided by a full-time, paid, three-member staff. Dawn B. Darbey continued to serve as Director. Andrea Stevens served as Resource Planner and Craig Hunter served as Office Administrator.

Meetings of the Land Bank Commission were held on the second and fourth Tuesdays of each month, with additional special meetings as required. In 1989, 31 meetings were called to order, involving 59 hours of service administering Land Bank activities.

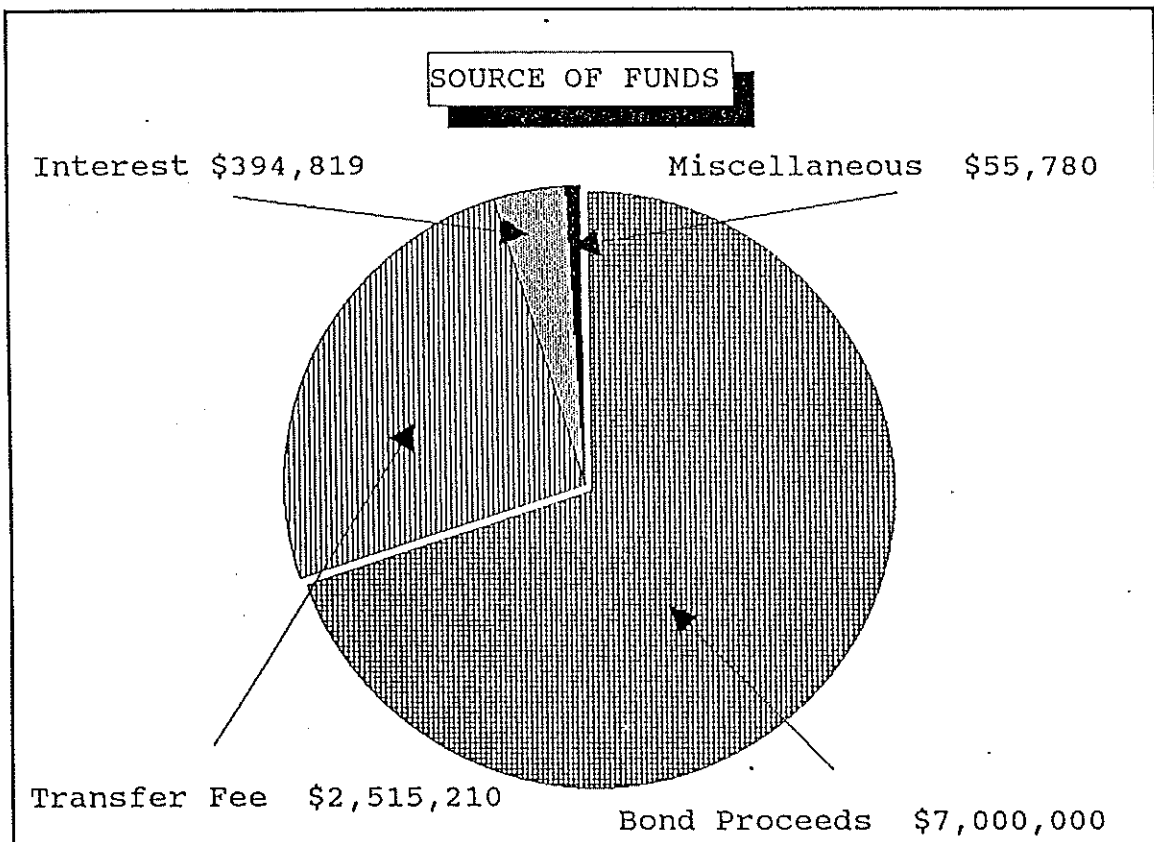
The Land Bank Commission's administrative headquarters were re-located to 18 Broad Street.

FINANCIAL REVIEW

The Land Bank's financial condition remained strong during calendar year 1989, despite a decline in real estate activity on the island during the later half of the year. The 1989 sources of funds and expenditures by the Land Bank are described in the following paragraphs.

Sources of Funds

The Land Bank derives income from the collection of the two percent transfer fee which is levied against real estate transactions, subject to certain exemptions. During 1989, 917 real estate transfers were processed by the Land Bank, of which 540 (59 percent) were exempt from the fee. Twenty-two transfers were exempt on the basis of purchasers being first-time buyers of real estate. Revenues from fee collection totalled \$2,515,210, a weekly average of \$55,780. Gross real estate sales for the year totalled \$134 million.



During 1989, additional land acquisition funds were generated by the issuance of \$7 million in bonds. The details of the issuance are described in the Bonds and Notes section of this report.

The Land Bank also received income from interest earned on bank accounts and investments, and miscellaneous income, which included interest and penalties assessed against delinquent fees, private cash contributions, leasing of the Lily Pond Cottage, the Hemeon Cottage, Munson House, and the Miacomet Golf Course, the sale of Land Bank information packets, and reimbursements for copies. The total income derived from interest earned in 1989 was \$394,819. Miscellaneous income totalled \$55,780.

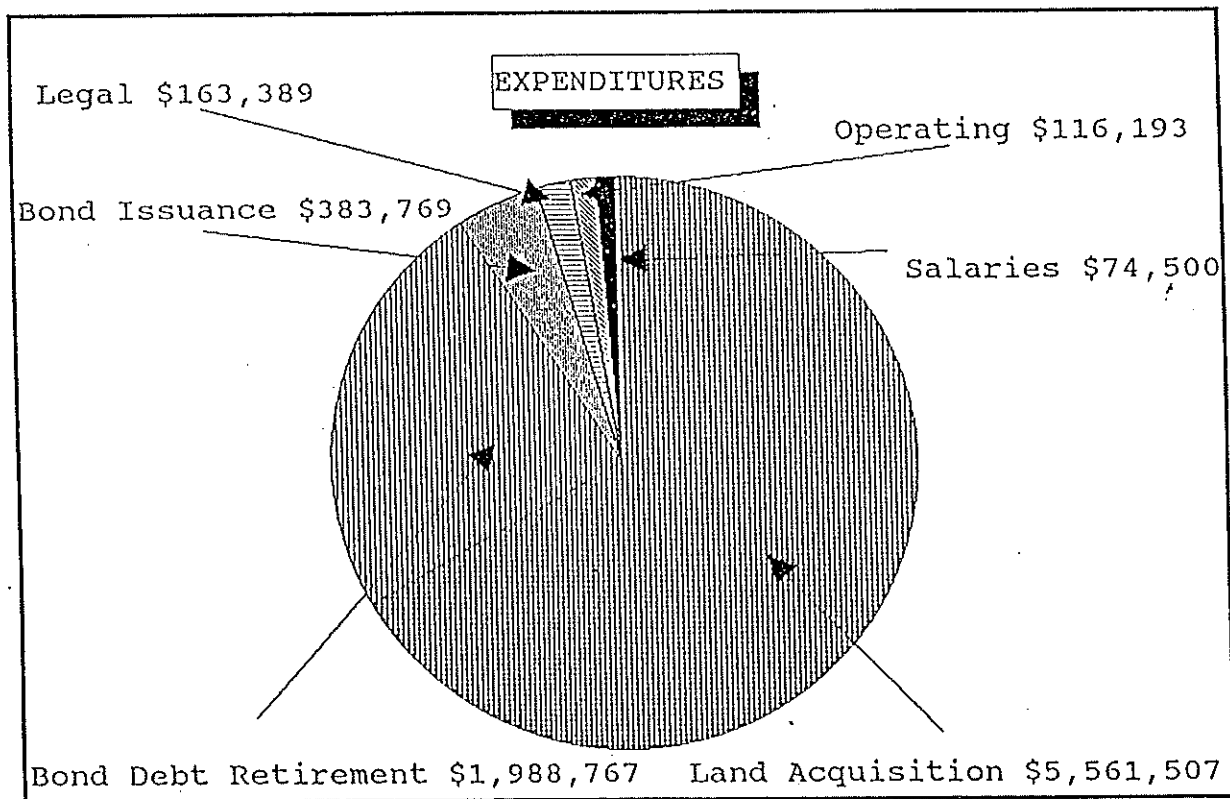
Following is an annual summary of real estate transfers and Land Bank income from 1984 through 1989.

LAND BANK TRANSFER SUMMARY: 1984 through 1989						
Type of Income	1984	1985	1986	1987	1988	1989
Number of Transfers	973	1464	1541	1152	1066	917
Number of Exemptions	387	561	437	456	449	540
Percent Exempt	40%	38%	28%	40%	42%	59%
Gross Sales of Real Estate	\$86,438,554	\$153,204,546	\$274,230,864	\$180,562,381	\$204,183,833	\$134,446,502
Revenues Collected (2% fee)	\$1,656,394	\$2,746,251	\$5,140,620	\$3,387,716	\$3,774,001	\$2,515,210
Mean Income Per Week	\$31,854	\$52,813	\$98,858	\$65,148	\$72,577	\$48,369
Private Contributions, Misc.	\$238,733	\$476,057	\$4,856	\$488,679	\$242,005	\$55,780
Interest Earned	\$39,462	\$258,385	\$306,820	\$192,883	\$334,352	\$394,819
TOTAL INCOME	\$1,966,443	\$3,533,506	\$5,551,154	\$4,134,426	\$4,422,935	\$3,014,178

Expenditures

Land acquisition marks the single largest annual expense to the Land Bank. More than \$5.5 million were spent on land purchases during 1989.

The second largest Land Bank expense remained bond debt repayment. In 1989, the Commission continued to meet its debt obligations on the 1985 Land Acquisition Bonds, Series A & B Bonds (Original issue amount \$11.05 million), by making regular monthly debt payments. During the year, \$490,000 was paid toward principal and \$980,639 was paid toward interest on the Series A & B Bonds. Costs associated with the issuance of new Land Acquisition Bonds, Series C Bonds (Original issue amount \$7 million), totalled \$383,769. Debt repayment on the Series C Bonds totalled \$332,500 in interest.



Salaries and wages for three full-time staffers totalled \$74,500. General operating expenses, including costs related to appraisals, surveying, printing, office space rental, office supplies, auditing, property management, postage, taxes; telephone, etc. were \$116,193, or 3.9 percent of the total 1989 income. Legal expenses totalled \$163,389.

BONDS AND NOTES

In June, the Land Bank issued \$7 million in new Land Acquisition Bonds, Series C Bonds. The bonds were privately placed by State Street Bank and Trust Company with Massachusetts Financial Services. Administration of the bond proceeds and repayment by the Land Bank are being handled by Baybank Middlesex. The bonds will be repaid over a period of 25 years at a rate of 9.5 percent.

Three short-term Land Acquisition Notes reached final maturity and were retired during the year. The Land Bank issued one short-term bond anticipation note, in the amount of \$5 million which was repaid from the proceeds of the Series C Bond.

The balances on outstanding Notes are as follows:

NOTES OUTSTANDING				
Note	Issuance Date	Maturity Date	Amount	Rate
#10	January 6, 1989	January 8, 1990	\$157,500	6.25%
#14	December 30, 1990	January 20, 1992	\$500,000	6.25%

PROPERTY MANAGEMENT

The Land Bank Commission spent an increasing amount of time, energy, and finances on the management and maintenance of its holdings. Land Bank properties are managed for a variety of purposes including public use and access, protection of scenic landscapes, and the protection of rare species and sensitive habitats. For public convenience and education, many Land Bank properties have been marked by boundary posts. The posts display the Land Bank's green and white striped logo and identify the properties as Public Sanctuaries.

During 1989, the Commission focused much of its management efforts on three special projects, while continuing to monitor and oversee all its holdings and giving consideration to future management needs. The special projects undertaken in 1989 are summarized here, and involved the following Land Bank properties, the Long Pond (Munson) Property, the Sanford Farm Property, and the Lily Pond Property.

Long Pond (Munson) Property

The Commission implemented the first phase of a walking trail plan, which was developed in 1988, by brush-cutting a path near the eastern edge of Long Pond and through a grassy heathland on the property. For the purpose of maintaining a portion of the heathland character of the area, and with the assistance of the Nantucket Fire Department, Dr. Peter Dunwiddie, and volunteers, an open burn was successfully conducted on 7 acres of the 64 acre property. The Land Bank continued to lease the Munson House to the Maria Mitchell Association (MMA), and the property was again used by MMA for summer nature walks.

Sanford Farm Property

Initial planning and layout of a trail network on the Land Bank's 165 acre Sanford Farm Property began during 1989. The trail will begin near the intersection of Madaket and Barrett Farm Roads, and circle through several different habitat areas on the parcel. The Commission anticipates completing environmental inventories and the trail design plan early in 1990.

Lily Pond Property

During 1989, the Land Bank Commission sought and received approval from the Nantucket Conservation Commission for the re-establishment of a pond and clearing of ditches at the Lily Pond Property, for the purpose of improving the quality and diversity of wildlife habitats and scenic integrity, and to reduce mosquito breeding areas on this 5 acre in-town sanctuary. The project is awaiting State approval. Open lawn areas continued to be mowed on a regular basis during the growing season.

In addition to these special projects, the Land Bank's Resource Planner has begun to assemble a complete catalogue of the resources located on each of the Land Bank's holdings. Descriptive and photographic information is being collected and prepared, in the form of plant inventories, wildlife siting records, and habitat boundary maps.

The Land Bank continued to lease the 160 acre Miacomet Golf Course Property to the Miacomet Golf Club, Inc.. Besides this, two separate caretaker/lease agreements are held by the Commission for both the Lily Pond and Hemeon Properties.

ACQUISITIONS

The Land Bank Commission has accomplished nearly 80 separate land acquisitions since its inception. Of these, 15 took place during 1989 involving 107.45 acres of prime open space and recreation land. Another 18.47 acres of open land was protected by conservation restriction during the year.

The Land Bank's acquisitions were focused on additions to the Smooth Hummocks, Miacomet Park, and Low Beach Coastal Preserves. Other significant areas of Land Bank purchases included aquifer protection land at 'Sconset, oceanfrontage along the north shore and south shore, and acreage located in the central moors. The Land Bank received Town support of its acquisition efforts during 1989, when Town Meeting voted, overwhelmingly, to give the Land Bank Commission the authority to acquire much of the remaining unprotected land at Smooth Hummocks by eminent domain.

Following are the 1989 Land Bank acquisitions in chronological order.

1. *Surfside Realty Trust/Madequecham*: 8.1 acres of oceanfront land at Madequecham, abutting 38.43 acres of Land Bank property. The parcel adds another 240 linear feet to the Land Bank's oceanfront holdings.

Price: \$225,000

Date Acquired: January 3, 1989

2. *Anderson/Smooth Hummocks Coastal Preserve*: 2.42 acres of unspoiled coastal heathland located at Smooth Hummocks. The property includes approximately 300 linear feet of frontage on the west side of Miacomet Pond and abuts Land Bank property to the north and south. Land Bank holdings at Smooth Hummocks total 275 acres including, oceanfrontage, pond frontage, and endangered species habitat. This acreage is significantly enhanced by approximately 150 acres held by the Town as adjoining open land.

Price: \$415,000

Date Acquired: January 13, 1989

3. *Hutchinson*: 16.4 acres of vacant land off the Milestone Road, abutting the 'Sconset well field. The acquisition was accomplished by eminent domain in conjunction with the Town. Funding for the purchase was provided in a three way split between the State, the Town of Nantucket, and the Land Bank. The property is being held jointly by the Land Bank and the Town.

Price: \$1,500,000, (Involving \$500,000 of Land Bank funds)

Date Acquired: March 2, 1989

4. *The Grange*: .17 acres of vacant land at the previous site of The Nantucket Grange. The property abuts the Land Bank's Lily Pond and Hemeon Properties. It provides easy public access and parking for the Lily Pond Sanctuary.

Price: \$195,000

Date Acquired: March 23, 1989

5. *Fezandie/Low Beach*: 1.4 acres of vacant oceanfront land located at Low Beach. The property abuts 14 acres of Land Bank land at that location, and adds 75 linear feet of oceanfrontage to Land Bank holdings.

Price: \$109,000

Date Acquired: April 3, 1989

6. *Smith-Share 3/North Pasture*: 9.6 acres of vacant land adjacent to the State Forest at Milestone Road.

Price: \$265,000

Date Acquired: July 14, 1989

7. *Hoverson/North Pasture*: 10.2 acres of vacant land at the central moors, which was part of a much larger acquisition at North Pasture accomplished by the Land Bank in conjunction with Nantucket Conservation Foundation (NCF) at the end of 1988. The property abuts hundreds of acres of protected open land along the Milestone Road.

Price: NA

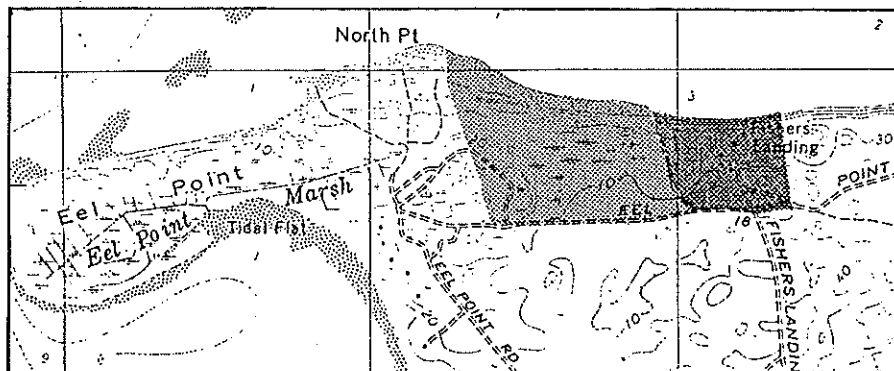
Date Acquired: August 22, 1989

8. *Rand-40th Pole/North Point*: 20.4 acres of oceanfront land, off the Eel Point Road at North Point, acquired in a part-gift/part-sale transaction. The property had been keyed as the Land Bank's first priority as far back as 1984. The acquisition included a Right of First Refusal on 64 abutting acres on Nantucket Sound. The property acquired adds another 1,125 linear feet of oceanfrontage to Land Bank holdings.

Price: \$2,550,000, plus gift

Date Acquired: September 25, 1989

Rand Property



■ ACQUISITION - 21 ACRES ■ FIRST REFUSAL - 64 ACRES

9. *Hoverson/North Pasture*: 34 acres of vacant land at the central moors on the north side of Milestone Road. The property, consisting of three adjoining parcels, abuts hundreds of acres of public and private open space.

Price: \$850,000

Date Acquired: October 23, 1989

10. *Burchell/Miacomet Farm*: 3.24 acres of vacant land abutting 12.6 acres of Land Bank land at the head of Miacomet Pond and the Land Bank's Miacomet Golf Course Property to the west. The acquisition represents the second of five purchases to be made by the Land Bank over the next three years.

Price: \$175,000

Date Acquired: December 11, 1989

11. *Landreth/Monomoy*: .23 acre building lot at Monomoy gifted by Robert E. Landreth for the purpose of protecting the scenic integrity of the Monomoy Road.

Price: Gift

Date Acquired: December 29, 1989

12. *Mastain/Madaket*: .09 acres of vacant land gifted by Richard K. and Anne Mastain for the purpose of protecting scenic landscapes at Madaket.

Price: Gift

Date Acquired: December 29, 1989

13. *Miacomet Park Coastal Preserve*: The Land Bank Commission continued its site assembly work at Miacomet Park. During 1989, eight separate parcels totalling 1.14 acres were purchased by negotiated sale, bringing Land Bank holdings here to 8.19 acres.

Price: \$170,000

Date Acquired: March 24th, April 11th, and November 13th, 1989

CONSERVATION RESTRICTIONS

During 1989, the Land Bank was the recipient of its first ever conservation restriction, which was gifted by E. Elaine and John F. Gifford on December 6, 1989. The Commission entered into a binding agreement with the Giffords to restrict the uses permitted on 18.47 acres of vacant land at Shawkemo, near Abram's Point, for the protection of the natural, scenic, and open condition of the area.

Across the country such conservation restrictions have been used by both public and private groups to protect open space, in lieu of outright acquisition, primarily because the costs associated with this land protection technique are generally much less than outright purchases.

In 1989, the Board of Selectmen asked the Land Bank Commission to make recommendations on conservation restrictions being proposed on Nantucket. The Commission made favorable recommendations, to the Selectmen, on seven proposed restrictions during the year.