

NANTUCKET LAND BANK COMMISSION

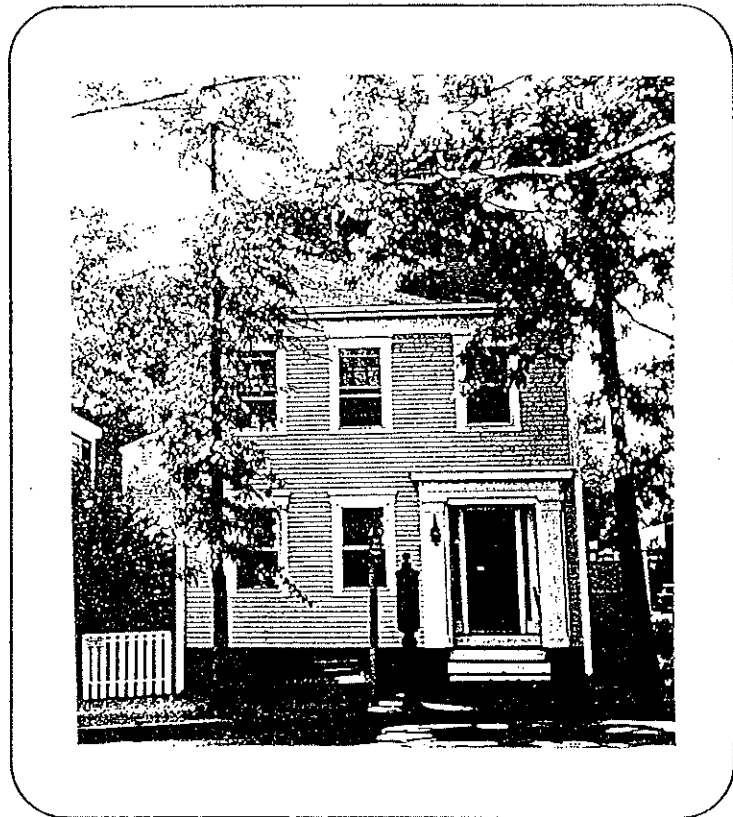
ANNUAL REPORT FISCAL YEAR 1993

Fiscal Year 1993 represented a year of milestones for Nantucket Land Bank Commission. It was an exciting year with many accomplishments to report including the establishment of a new permanent office headquarters at 22 Broad Street which is pictured in the photograph below. The Commission reinstated an active land acquisition program after several years of slowed real estate activity on the Island. Planning projects marked the year with several important projects completed and others begun.

The report which follows highlights the Commission's major work during the year. It is respectfully submitted in fond memory of a long-time friend and Land Bank supporter, Gibby Burchell, who passed away July 17, 1993.

NEW OFFICE SPACE

*NANTUCKET LAND BANK
22 BROAD STREET*



COMMISSIONERS, ADMINISTRATION, AND STAFF

The Commission is a five-member board which is elected to administer the Nantucket Islands Land Bank Act. Commissioners serve without compensation for five-year terms of office. During 1993, 28 meetings were called to order. Administration is carried out from office headquarters located at 22 Broad Street, Nantucket, Massachusetts.

In April of 1993, incumbent, Donald T. Visco ran opposed and was re-elected to the Commission. The Commissioners, the offices they hold, and term expirations are as follows:

Commissioners	Expiration of Term
John D. Brock, Chairman	April, 1994
Philip D. Bartlett, Vice Chairman	April, 1995
Christopher F. Holland, Secretary	April, 1996
Bruce W. Perry, Treasurer	April, 1997
Donald T. Visco, Vice Secretary/ Vice Treasurer	April, 1998

The Commission receives staff support from two full-time personnel: Director, Dawn B. Darbey (since 1985) and Office Administrator, Craig D. Hunter (since 1989). During the fiscal year the Commission established a new part-time position for a Property Field Assistant to oversee Land Bank properties. The position was awarded to Jeff Remick, effective in Fiscal Year 1994.

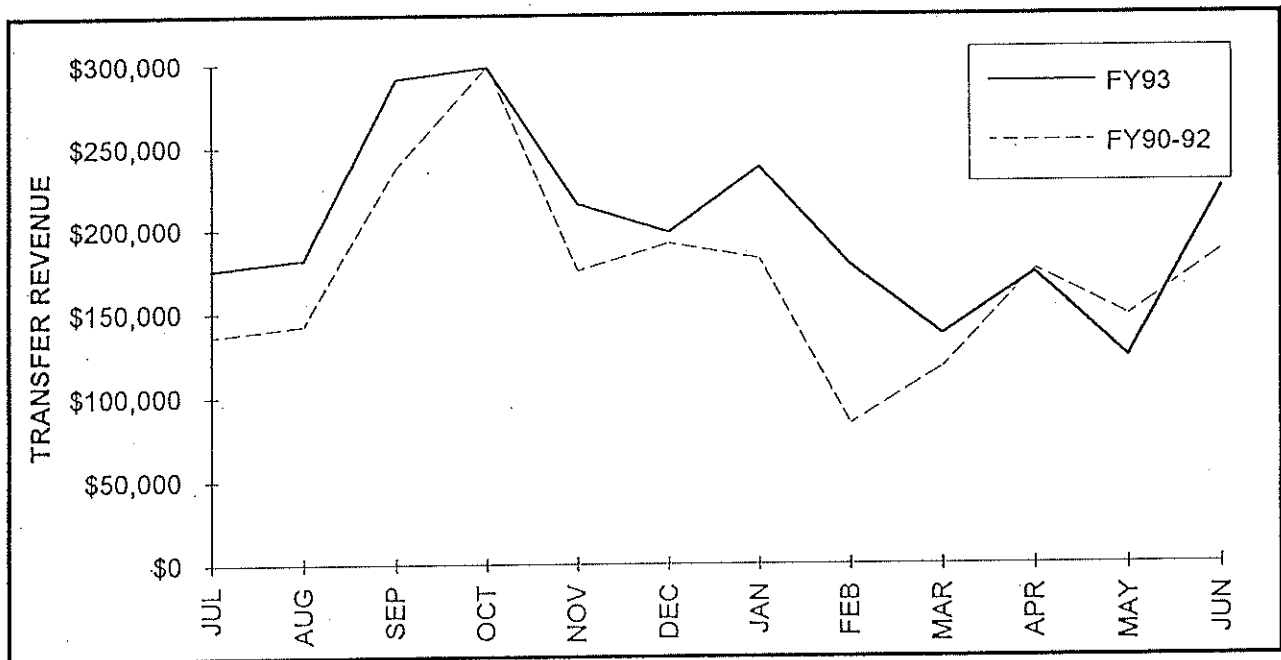
FINANCIAL AND TRANSFER SUMMARY

Assets of the Land Bank as of June 30, 1993 included land of \$32 million (valued at cost); unrestricted cash and interest bearing investments of \$751,808; and restricted cash and reserves of \$2,784,249.

The Land Bank receives its revenue from several sources, the most significant of which is the two percent real estate transfer fee levied against most real estate sales within Nantucket. Transfer fee revenue received by the Land Bank during the reporting period totalled \$2,435,060. Other revenue sources, such as interest on investments, general contributions, and other miscellaneous income, totalled \$493,559.

Real estate sales activity on the Island has a direct proportional impact on the Land Bank's transfer fee income. During the reporting period 1,106 transfers of real property were processed by the Land Bank. As shown by the accompanying graph, 1993 marked an improvement in the Island's real estate economy over the prior three fiscal years, reflecting further stabilization of activity after declines experienced during the late 1980's. The solid bold line on the graph indicates transfer fee income received for each month of Fiscal Year 1993 as compared against the averaged monthly transfer fee income received in Fiscal Years 1990, 1991, and 1992. (Shown by the dashed line.)

MONTHLY TRANSFER FEE REVENUE COMPARISON



The largest expenses of the Land Bank annually are for land purchases and land acquisition debt retirement. The cost of these items during Fiscal Year 1993 was \$2,712,662.

Salary expenses for the year totalled \$76,717. Operating expenses, including property management, legal services, surveying, insurance, printing, postage, utilities, and the like, were \$160,056. Besides these, the expense for refurbishing the new administrative office building totalled \$22,536.

Financial advisory services were provided to the Commission by Public Financial Management of Boston, Massachusetts. Auditing services were provided by O'Connor & Drew of Quincy, Massachusetts.

Long-term Land Acquisition Bonds

Pursuant to its pledge to the Town, the Land Bank filled a bond reserve fund in the amount of \$1.09 million, as security for the Town's full faith and credit behind a portion of the Land Bank's outstanding bonds. Bond reserves now total \$1.7 million. The total outstanding long-term bonds is \$18 million. Final maturity of the bonds is the year 2019.

Short-term Land Acquisition Notes

The Commission issued two new land acquisition notes during the year. The first was issued on December 22, 1992 to the Nantucket Bank in the amount of \$332,500 at an interest rate of 6 percent, adjusted annually. The note was issued to finance the purchase of the Land Bank office building at 22 Broad Street. The term of the note is 25 years with payments made monthly, in the amount of \$2,142.31. The monthly payments are substantially off-set by income derived from three rental apartments located in the building. Nantucket Bank holds a mortgage on the Land Bank's 22 Broad Street property as security for the note.

A second note was issued at the end of the fiscal year to Gilbert E. and Phyllis C. Burchell, Trustees of Miacomet Farm Real Estate Trust. The note was issued June 25, 1993 as part of a land purchase financing. The note was issued in the principal amount of \$400,000 and bears a fixed interest rate of 6 percent. The term of the note is 3 years with payments made annually as follows:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Installment</u>
1994	\$100,000	\$24,000
1995	\$100,000	\$18,000
1996	\$200,000	\$12,000

PROPERTY ACQUISITION

As a direct reflection of the continued stabilization of real estate transfer activity on the Island during the year, the Commission focused a considerable amount of time and energy on new land purchase opportunities. The Land Bank completed seven new land acquisitions during the reporting period, totalling 115.38 acres of prime open space at a cost of \$1,355,625.17; approximately \$12,000 per acre. The seven new properties are listed below. Among them are two very generous gifts of open space; a multiple parcel gift of land at Esther's Island and Madaket from Mr. and Mrs. Fred Rogers and Dr. and Mrs. William Barker, and another Madaket gift of land from Monomoy residents Mr. and Mrs. Richard Ramos. Also included among the new holdings are 19.9 acres of beach and dune area at Tom Nevers and interest in 70 acres of vacant land within the Smooth Hummocks Coastal Preserve at the Island's south shore between Miacomet Pond and Hummock Pond.

The year's acquisitions bring Land Bank holdings to a total of 1,115.38 acres, with an additional 40.34 acres permanently protected by conservation restrictions. A map of Land Bank property is available to the public free of charge at the Land Bank administrative headquarters.

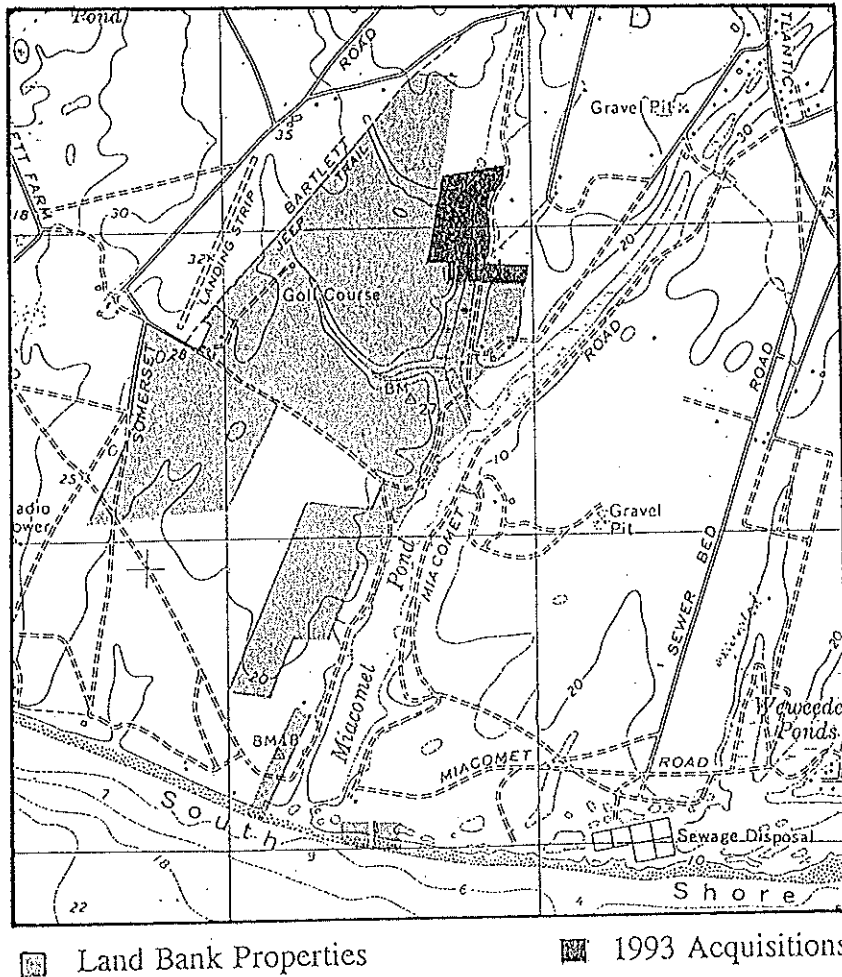
Land Acquisitions - Fiscal Year 1993

Burchell / Miacomet Farm Property

Two land acquisitions were completed at the head of Miacomet Pond, each linking to other holdings of the Land Bank. The first was consummated on December 14, 1992 when the Land Bank purchased another 3.25 acres of the Burchell / Miacomet Farm tract from Gilbert and Phyllis Burchell, Trustees of Miacomet Farm Real Estate Trust, at a cost of \$175,000. The property acquired abuts 19.09 acres of Land Bank land at the south and Miacomet Pond and the Land Bank's 160 acre Miacomet Golf Course to the west. The acquisition represents the last of five successive purchases from the Burchells at that location.

On June 25, 1993 Gilbert and Phyllis Burchell, Trustees, sold to the Land Bank another 16.68 acres of land abutting the Miacomet Golf Course to the west at a cost of \$600,000. Partial financing for this purchase was provided by the sellers: \$200,000 was paid in cash and \$400,000 was a land acquisition note issued by the Land Bank (See detail in Financial and Transfer Summary). The future use of the property is intended as recreation land incorporated as part of the Miacomet Golf Course.

The map highlights Land Bank holdings in the vicinity of the Burchell / Miacomet Farm Property and the new acreage.

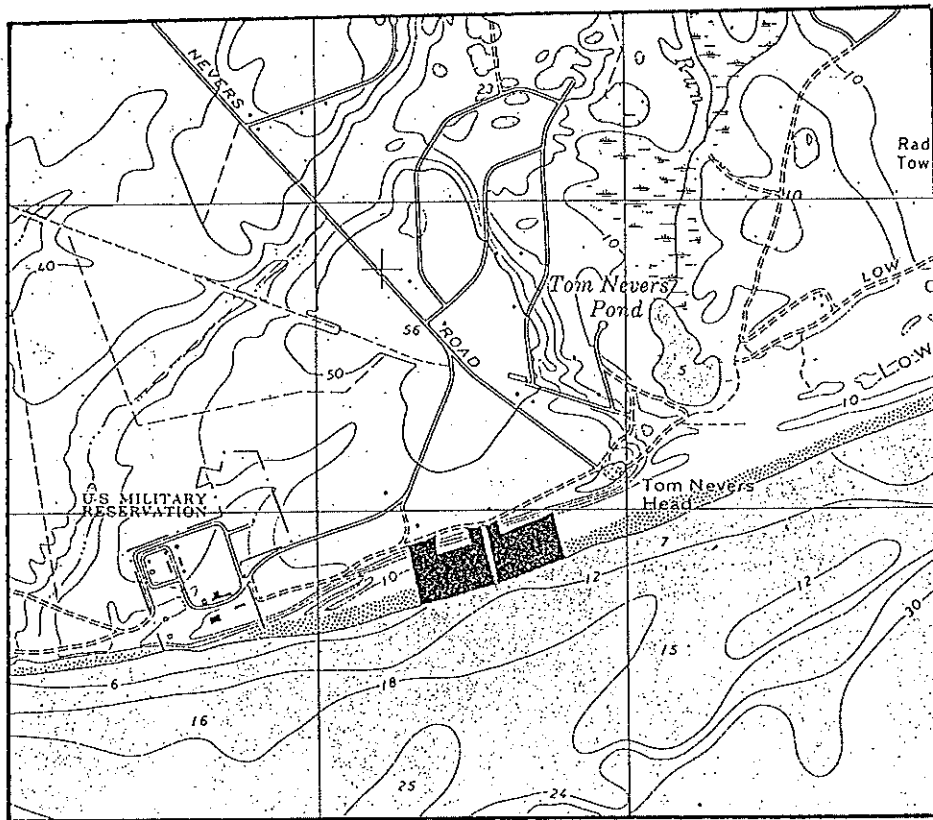


Esther's Island / Madaket

This 5.30 acres of vacant land was the very generous gift of Mr. and Mrs. Fred Rogers and Dr. and Mrs. William Barker. The gift comprises numerous parcels of land scattered about Esther's Island and Madaket, including several parcels of waterfront property. The Commission is grateful to the Rogers and Barkers for their foresight and commitment to Nantucket's public open space protection efforts. The Commission especially wishes to extend its thanks to Fred Rogers for his personal involvement in seeing this gift through to completion.

Tom Nevers Beach

On December 14, 1992, an expanse of 19.9 acres of beach and dune at Tom Nevers was purchased from Orange and Black Trust at a cost of \$67,500. The acquisition adds 1,840 linear feet of ocean frontage to Land Bank holdings. The acquisition was negotiated shortly after the Commission compiled the results of its public opinion questionnaire which had been distributed earlier in the year. (See Planning, Management and Stewardship for detail.) The survey results indicated that the south shore at Tom Nevers was one location which the public felt should be a high priority acquisition area. The property is a popular destination for beach-goers and for fishing along Nantucket's south shore. The illustration depicts this new Land Bank property at Tom Nevers.



Ramos / Madaket

On December 30, 1992, Richard and Margaret Ramos generously contributed to the Land Bank a .19 acre parcel at Madaket. The parcel is located at Rhode Island Avenue in close proximity to other scattered holdings of the Land Bank. The Commission extends its appreciation to the Ramos's for their support of the Land Bank program and for this gift of valued open space.

Smooth Hummocks Coastal Preserve

As part of a public/private land protection initiative, the Nantucket Land Council working in conjunction with the Land Bank negotiated for the purchase of certain real estate interests in Smooth Hummocks as part of a larger land acquisition package. On December 14, 1992 the interest in nearly 70 acres of globally rare sandplain grassland habitat was passed through to the Land Bank. The purchase price paid by the Land Bank was the Land Council's acquisition cost and expenses: \$41,125.17. The Land Bank is appreciative of the Land Council's involvement in the acquisition and for their willingness to work with a public group to achieve protection of these very important sandplain grassland acres.

New Administrative Building

22 Broad Street / Administrative Offices

In an effort to address its long-term need for office space, for nearly a year leading up to this December 22, 1992 acquisition the Commission researched the availability of office space in the vicinity of the Town Building. Many options were considered, including leasing space indefinitely. After careful analysis the Commission concluded that ownership was the most cost effective approach to meeting its long-term needs. In November the Commission participated in a foreclosure auction held by Compass Bank at the 22 Broad Street property. The Commission was the successful bidder at the price of \$472,000. On December 22, 1992, the Land Bank purchased the property. Funding included cash in the amount of \$139,500 and issuance of a purchase note secured by a mortgage with Nantucket Bank in the amount of \$332,500. (See Financial and Transfer Summary for detail.)

The property consists of .09 acres of land with a fully renovated 2 1/2 story wooden structure. The Land Bank offices and meeting room are now handicapped accessible located at the first floor of the structure. Three apartments located on the upper floors are provided to the public at affordable year-round rents. Occupant priority has been given to municipal and public service employees.

PLANNING, MANAGEMENT AND STEWARDSHIP

The Commission was engaged in many planning, management, and stewardship projects this year. The most significant projects are summarized in this section. In addition to the items highlighted, the Commission continued its regular oversight of Land Bank holdings; providing property identification markers for public convenience, maintaining walking trails, removing storm debris at the south shore, and providing on-site caretakers and affordable living accommodations at selected properties. During the year the Commission also continued to monitor public use at Muskeget Island. Fences and signs were strategically placed to increase public awareness of important bird nesting areas. The Commission is extraordinarily grateful to Marsha Litchfield for providing direction and overseeing this work and to Sgt. Donald LaHaye for providing transportation and assistance.

Strategic Planning

Besides implementation of the long-range plan for office space needs mentioned earlier in this report, the Commission focused on another major planning project which it had begun in the prior fiscal year. As an agency constantly working to meet the public's expectations for open space and recreation resources, the Commission embarked on a broad-based strategic planning project in order to keep an accurate perspective of the public's wants and needs. The project began with the distribution of 10,000 public opinion questionnaires which solicited in-put from residents and visitors on subjects relating to land acquisition priorities, management practices and needs, recreational preferences, and the like.

The response rate to the questionnaire was nearly 6 percent, giving the Commission a very significant indication of the desires of Nantucket's general public. The survey results have allowed the Commission to evaluate past goals of the Land Bank in relation to present day public opinion. Among many other things, several new land acquisition priorities became the focus of the Commission for the first time.

The survey results will be relied upon in the future as a valuable decision-making tool. A summary of the results is on file at the Land Bank office.

Miacomet Golf Course Expansion Project

Due to the increasing demand for public golf facilities on the Island it became necessary to limit the number of Miacomet Golf Course members in order to guarantee playing time to the general public. Figures provided by the course manager, Miacomet Golf Club, indicate that more than 4,000 people will have been turned away during the 1993 summer season due to course overcrowding.

This continuing demand for golf is one component which simulated the Commission's formal research into the feasibility of course expansion. This planning project was begun in 1992. To accommodate more public play the Commission has been exploring the feasibility of expanding its existing 9-hole facility to an 18-hole facility on the basis that it would do so only if an expansion is environmentally sensitive, funded by sources other than the Land Bank, and the fees charged for golf play remain affordable.

The Commission's work during the year included retaining a nationally recognized golf course architectural firm, Hurdzan Golf Course Design from Columbus, Ohio. Planning, design, environmental inventories, mapping, and preparing permit applications were all accomplished during the year. Permit applications are expected to be submitted to State agencies during Fiscal Year 1994. In addition, it is expected that in FY 94 the Commission will conduct a market feasibility analysis, as well as initiating public meetings for the purpose of receiving public comment on the expansion proposal.

John D. Brock
Chairman