

NANTUCKET LAND BANK COMMISSION

**ANNUAL REPORT
FISCAL YEAR 1994**

The purpose of the Nantucket Land Bank is to acquire, hold, and manage a diversity of important open space resources of the Island for the use and enjoyment of the general public.

The Land Bank Commission has worked to accomplish its purpose by actively competing on the open market to acquire land which provides the public with a wide selection of open space opportunities. The public benefit of these resources span a range from rare species habitat and drinking water protection to passive and active recreation.

During the 10 years which the Land Bank has been in effect, the Land Bank has committed more conservation dollars to land protection on Nantucket than all other public and private groups combined. At a cost of \$34 million, Land Bank holdings total 1,160.5 acres, with an additional 105 acres permanently protected by conservation restrictions.

COMMISSIONERS, ADMINISTRATION, AND STAFF

Five elected Land Bank Commissioners serve without compensation administering the Nantucket Islands Land Bank Act (Chapter 669 of the Acts of 1983, as amended). In April of 1994, incumbent Chairman, John D. Brock ran unopposed and was re-elected by the voters to another five year term and re-elected by his fellow Commissioners to another term as Chairman. The Commissioners and their term expirations are as follows:

Commissioners	Expiration of Term
John D. Brock, Chairman	April, 1999
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

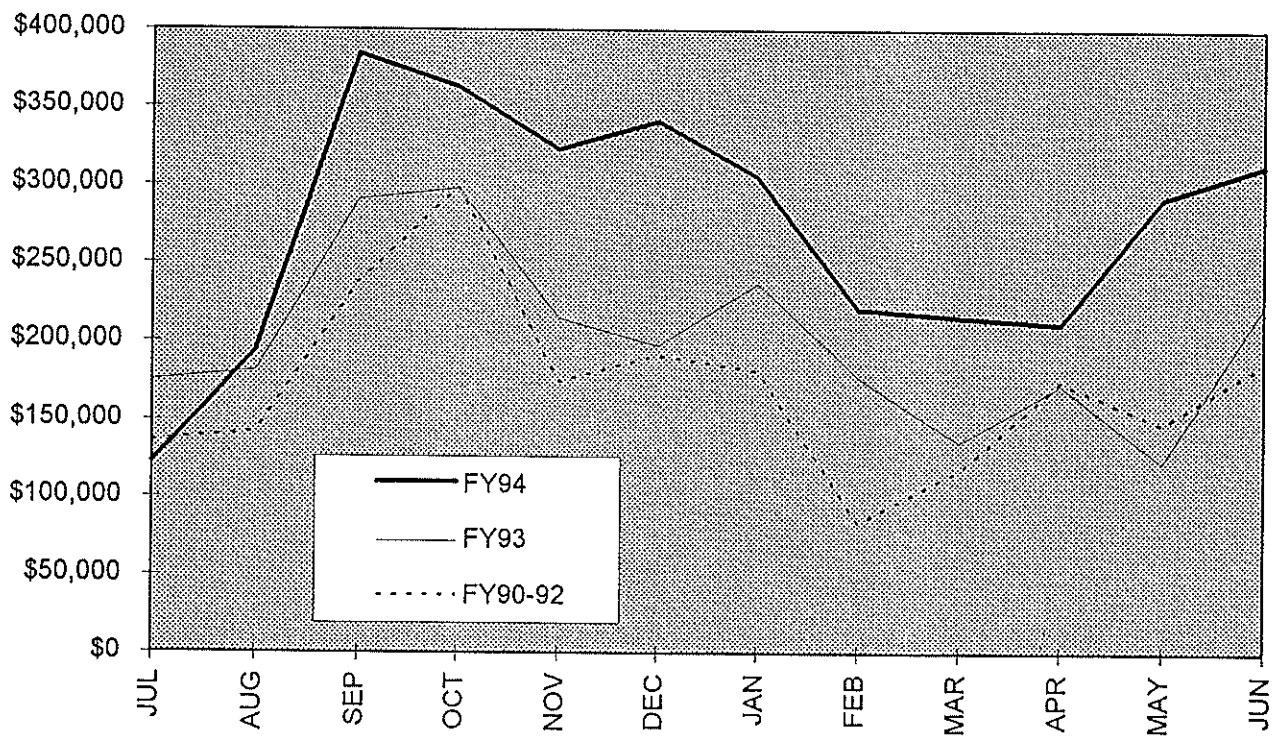
The Commission continues to receive staff support from two full-time personnel: Director, Dawn B. Darbey (since 1985) and Office Administrator, Craig D. Hunter (since 1989). Property field assistance was provided on a part-time basis by Jeff Remick (first portion of year) and Charles Bartlett (thereafter).

REAL PROPERTY TRANSFERS AND FEE COLLECTION

The Land Bank imposes a 2 percent real estate transfer fee which is levied against most real estate transfers on the Island, subject to certain exemptions. Real estate activity on the Island during 1994 showed a dramatic improvement as compared against the recent past. The improvement in sales activity had a direct proportional impact on the Land Bank's income stream. During the year the Land Bank processed 1,286 property transfers, having a total gross value of \$172 million. Land Bank income received from the collection of fees on non-exempt transfers totalled \$3,284,114 for the fiscal year.

The accompanying graph illustrates the remarkable improvement in the real estate economy during this year. The solid bold line on the graph indicates transfer fee income received for each month of Fiscal Year 1994 as compared against transfer fee income in 1993, and the averaged monthly transfer fee income received in Fiscal Years 1990, 1991, and 1992.

MONTHLY TRANSFER FEE REVENUE COMPARISON



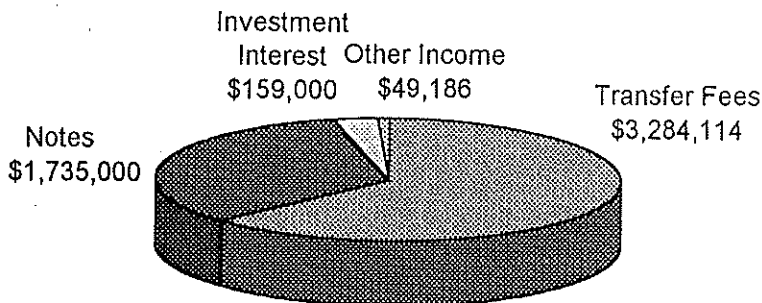
SOURCE AND USE OF LAND BANK FUNDS

The primary source of funding for the Land Bank program is from the 2 percent transfer fee. Besides transfer fee revenue, the Land Bank receives funding from secondary sources, including income from the issuance of bonds and notes, interest earned on investments, tax-exempt contributions, rental income, and other miscellaneous income as reimbursements for copies and the like.

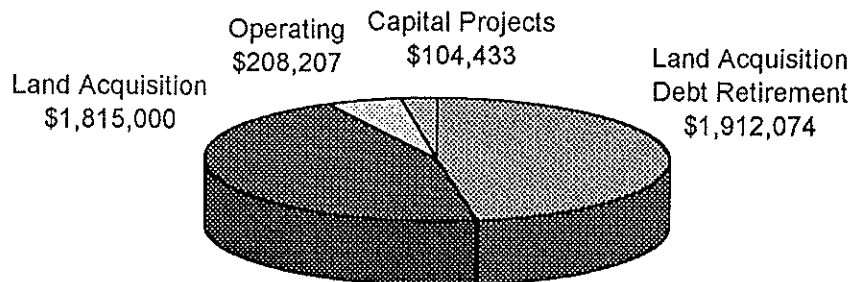
All funds are deposited into a revolving fund which the Land Bank uses to administer its land acquisition and property management programs. As in prior years, during 1994 the substantial majority of Land Bank funds were applied toward the purchase of new land (See Land Acquisitions section for review of 1994 acquisitions.) and the retirement of debt issued to purchase land.

The charts below provide an illustration of the funds received and expended during Fiscal Year 1994.

FUNDS RECEIVED FISCAL YEAR 1994



FUNDS EXPENDED FISCAL YEAR 1994



The Financial Summary which follows provides detail of the financial strength of the Land Bank at the close of the Fiscal Year.

FINANCIAL SUMMARY FOR THE FISCAL YEAR ENDED JUNE 30, 1994

REVENUES AND EXPENSES SUMMARY:

REVENUES:

Transfer Fee Revenue	\$3,284,114
Interest Earned on Accounts	159,670
Contributions	1,120
Rental Income	47,500
Miscellaneous Income	566
Donation of Land	<u>78,458</u>
Total Revenue	3,571,428

EXPENSES:

Operating and Other General Expenses	208,207
Capital Projects and Acquisition Expenses	87,645
Bond Administration Expenses	16,788
Land Acquisition Debt Service:	
Bond Interest	1,263,776
Note Interest	<u>52,684</u>
Total Expenses	1,629,100

EXCESS OF REVENUES OVER EXPENSES \$1,942,328

ASSETS, LIABILITIES AND FUND BALANCE SUMMARY:

ASSETS:

Restricted Cash	\$3,010,273
Unrestricted Cash	1,738,932
Accounts Receivable and Prepaid Expenses	62,193
Land and Buildings	34,503,405
Prepaid Fees	<u>73,500</u>
Total Assets	\$39,388,303

LIABILITIES:

Accounts Payable and Accrued Expenses	\$59,244
Notes Payable	2,358,486
Bonds Payable	17,684,103
Accrued Interest Payable	625,829
Miscellaneous	<u>14,400</u>
Total Liabilities	\$20,742,062

FUND BALANCE \$18,646,241

TOTAL LIABILITIES AND FUND BALANCE \$39,388,303

PROPERTY ACQUISITION

The Land Bank added another 45.15 acres of prime open space to its land holdings during the year. Five new acquisitions were completed, including three purchases, one gift of land, and one gift of a conservation restriction. The gift of land is located at Smooth Hummocks Coastal Preserve. It was received from Ann Coffin and Pat Gardner. The conservation restriction gift is located at 40th Pole Beach. It was received from Mrs. Jeanne Rand. The Commission has applauded each of these donors for their foresight and extended its sincere thank you for their generosity.

A description of each of the year's new acquisitions is detailed below in chronological order.

A map of Land Bank property is available to the public at the Land Bank office free of charge.

Land Acquisitions - Fiscal Year 1994

Coffin and Gardner/ Smooth Hummocks Coastal Preserve Gifts of Land

The Smooth Hummocks Coastal Preserve is located at the south shore of the Island between Miacomet Pond and Hummock Pond. More than \$5 million of Land Bank funds have been expended to protect the Preserve area, which includes approximately 520 acres of rare Sandplain Grassland/Coastal Heathland Habitat. The Land Bank and the Town of Nantucket control more than half of the Preserve area.

The Land Bank was delighted to have had Ann Coffin and Pat Gardner graciously offer to convey their interest in a vacant lot within the Preserve to the Land Bank as a gift. The property consists of approximately 1.5 acres of land which abuts other Land Bank property at the Preserve and across West Miacomet Road. It is significant because of its direct link with other protected open land within a very fragile and globally significant landscape.

Acquisition Dates:	December 28, 1993	Coffin Gift
	May 5, 1994	Gardner Gift

Land Council/ Smooth Hummocks Coastal Preserve

Also acquired at Smooth Hummocks Coastal Preserve, as part of an acquisition package involving the Nantucket Land Council, Inc. last year (details provided in last year's annual report), the Land Bank purchased an additional .88 acres within the Preserve from the Nantucket Land Council for their acquisition expense.

Purchase Price: \$5,000 (Source: Cash)
Acquisition Date: December 28, 1993

Rand/ 40th Pole Beach Conservation Restriction

The 40th Pole Beach has been one of the Island's popular beach destinations for many years. This area was targeted by the Land Bank as a priority for that reason, and because the area is also the known habitat of significant plant and animal species.

In 1989 the Land Bank acquired 20 acres of land for the public at 40th Pole Beach from Mrs. Jeanne Rand. During Fiscal Year 1994, Mrs. Rand generously made a gift of a conservation restriction to the Land Bank protecting an additional 65 acres of adjoining land. (This restriction permits only three building lots on the property.) The gift includes pedestrian access to another 200 linear feet of frontage on Nantucket Sound at 40th Pole Beach. The Land Bank remains grateful to Mrs. Rand for her commitment to the preservation of Nantucket's unique open spaces.

Acquisition Date: December 29, 1993 Gift

Hardy/ Low Beach Coastal Preserve, 'Sconset

The Low Beach Coastal Preserve is located at 'Sconset between Gully Road, Ocean Avenue, and the Town's Wastewater Facility. The Preserve includes 37.95 acres of primary coastal bank, dune, and beach area. It is a habitat for rare birds and is one of the Island's most dramatic scenic resources. From Low Beach Road and Ocean Avenue residents and visitors enjoy visual access to an extensive vista of beach, dune, and ocean.

The Land Bank negotiated for the vacant property of John Hardy to preserve the expansiveness of this visual resource. Although the property acquired is small in size (.40 acres), its location, if developed, would have had a tremendous impact on the many other acres of protected land within the Preserve. (Land Bank holdings within the Preserve now total 21.55 acres.)

Purchase Price: \$110,000 (Source: \$75,000 Cash and \$35,000 Note)
Acquisition Date: May 20, 1994

Marble "Somerset Farm"/ Smooth Hummocks

The Somerset Farm acquisition was the last and largest of the year. This property, which once served the Island as a dairy farm, was acquired from Ralph and Sylvia Marble, Jr. It is located north of the Smooth Hummocks Coastal Preserve. The property consists of 42.4 acres of open meadow and pasture land. The tract abuts Land Bank property to the southeast and serves as a natural buffer to the Smooth Hummocks Coastal Preserve.

The property includes the old farm house and several storage buildings and outbuildings which the Land Bank envisions to become the home base of its property management program during Fiscal Year 1995 and the years beyond.

The acquisition was structured using creative tax planning techniques which included the use of a charitable remainder annuity trust, the issuance of a land acquisition note (with the Land Bank named as the remainder beneficiary), and the purchase of an insurance policy. The unique structure of the financing saved the Land Bank precious dollars while simultaneously providing a tax benefit to the former owners.

Purchase Price: \$1,700,000 (Source: Note)
Acquisition Date: June 9, 1994

LAND PLANNING AND MANAGEMENT

As Land Bank land holdings have increased over the years, the Commission has gradually increased the amount of time and money directed toward stewardship of its properties. Monitoring public use of Land Bank property and protecting it from inappropriate use was one focus of the year. The Commission hired a part-time Property Field Assistant at the start of the year and created a new full-time position of Property Manager at the conclusion of the year (to be filled during Fiscal Year 1995). In April, the Commission issued a broad land management policy statement to further the protection of all Land Bank holdings.

As public demand for access to open spaces and recreation opportunities increase so has the pressure on the Land Bank to debate higher intensity uses. Based upon the many issues arising during the year, it is anticipated that in the decade ahead land planning and management are likely to be a major focus of the Commission.

The Commission has exercised extreme care and deliberateness in considering appropriate public use of Land Bank properties. This year marked the first time in Land Bank history that public hearings were held to discuss the future use of two specific properties. Hearings were conducted with respect to the rehabilitation of the Miacomet

Golf Course and the long-range use of the newly acquired Marble "Somerset Farm" Property.

Samples of two of the larger land planning and management projects of the year are summarized here:

Miacomet Golf Course Rehabilitation Project (Land Planning)

This project was undertaken in 1992 to study the feasibility of rehabilitating the Miacomet Golf Course Property from a 9-hole golf course, with an unmanaged habitat area, to an 18-hole golf course, with a managed and maintained habitat area.

The project began with a comprehensive analysis of the property and the layout of an environmentally sensitive 18-hole course using a "links" style design concept. This work was performed on the Commission's behalf by Hurdzan Golf Course Design, Inc., Abbellire, Inc., and Environmental Concern, Inc. The Commission compiled the data, established long-range goals and objectives for the Miacomet property, and in October of 1993 held a public hearing to present its findings to the public and receive public comment. Based upon this preliminary phase of the project, the Commission prepared a Land Management Plan for the property and submitted it, together with an environmental notification form, to the State seeking permits and authorization to perform the rehabilitation. Town meeting had subsequently voted its endorsement of the Commission's project in April of 1994.

In June of 1994 following a second public hearing on the proposal, the Secretary of Environmental Affairs denied the project.

The Commission has determined that it will pursue available alternatives for reconsideration of the project by the State during Fiscal Year 1995.

Central Moors Reclamation Project (Land Management)

In 1989 the Land Bank purchased 34 acres off Milestone Road which represents a valuable open space resource at the central moors. The property had a past history of being used as a site for the dumping of metal, construction materials, excavating materials, landscaping debris, and other miscellaneous refuse.

During the summer of 1994 the Land Bank completed a massive reclamation project within the area, restoring the property to its natural, scenic, and open condition.

The Land Bank has concerned itself with certain islandwide land planning matters which directly impact the character of Nantucket's natural environment. During the year, the Land Bank was an active participant on a Selectmen appointed task force to establish a recommendation on the future treatment of Town tax title lands. The Land Bank sought and received Town Meeting endorsement of a warrant article addressing the need for immediate action to protect certain tax title land located at Miacomet Park, through transfer to the Land Bank. The Land Bank also participated as a member of a privately organized group, the Nantucket Heathlands Partnership, which is engaged in the preservation of Nantucket's heathland and grassland landscapes, promoting scientific methodologies (including prescribed burning) and establishing management guidelines.

John D. Brock
Chairman