

NANTUCKET LAND BANK COMMISSION

**ANNUAL REPORT
FISCAL YEAR 1998**

Nantucket Islands Land Bank was established by the voters of Nantucket in 1984, for the purpose of acquiring, holding, and managing important open space resources of the Island for the use and enjoyment of the general public.

The Land Bank acquired 230 acres of land at a cost of \$14.3 million during fiscal year 1998. Land Bank holdings now total 1,800 acres of land, with an additional 105 acres permanently protected by conservation restrictions. Since its inception the Land Bank has expended \$57.6 million on land purchases on the Island.

Funding for the program is derived primarily from a 2 percent transfer fee which is levied against most real property transfers within Nantucket County. During Fiscal Year 1998 real estate market conditions remained on the rise, yielding the largest fee collection period in the history of the Land Bank. The graphs which follow in this report illustrate the history of transfer fee revenue of the Land Bank by fiscal year from 1984 to the present.

In April of 1997 the people of Nantucket voted to boost the land acquisition program of the Land Bank by authorizing the issuance of a \$25 million land acquisition bond to be used exclusively for the purchase of land for public use and open space protection. By the end of the 1998 fiscal year approximately 200 acres had been purchased with the proceeds of the bond at a purchase price of \$12.7 million.

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).

The Commissioners and their term expirations are as follows:

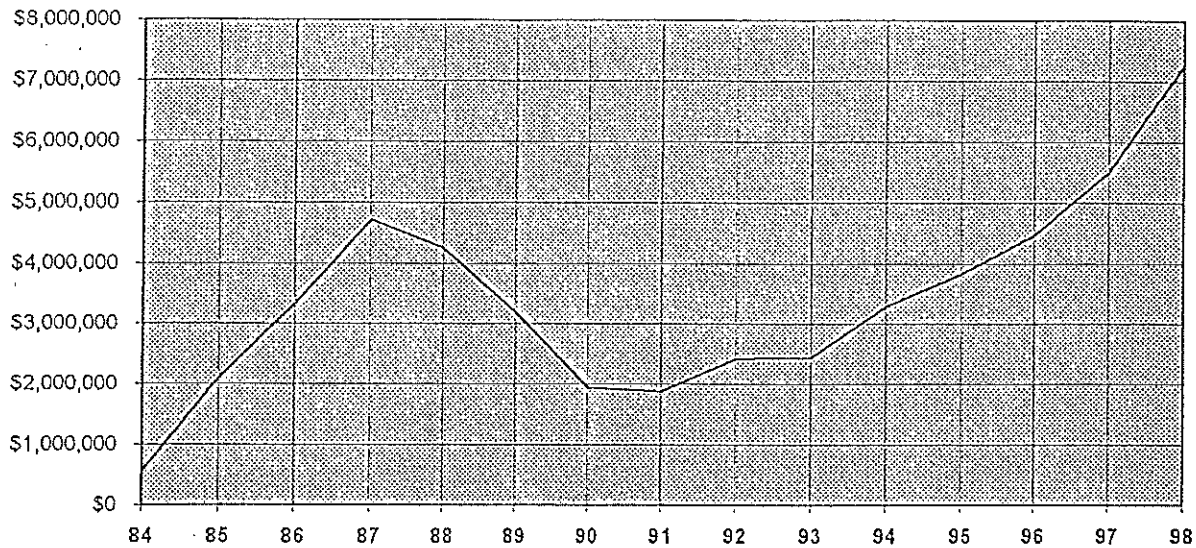
Philip D. Bartlett	April 2000
John D. Brock	April 1999
Kenneth W. Holdgate, Jr.	April 2002
Timothy R. Madden	April 2001
Donald T. Visco	April 2003

The Commission received full time staff support from Director Eric Savetsky (since August 1997), Office Administrator Craig D. Hunter (since 1989), Property Manager Bruce W. Perry (since 1997), and Assistant Property Manager Robert W. Earley (since 1997).

REAL PROPERTY TRANSFERS AND FEE COLLECTION

During the year the Land Bank processed 1,098 real property transfers, having a total gross value of \$306 million. Land Bank income received from the collection of the transfer fee totaled \$7,274,912 for the fiscal year. This represented the largest annual transfer fee income ever recorded by the Land Bank, as is depicted on the following graph.

NANTUCKET ISLANDS LAND BANK TRANSFER REVENUE BY FISCAL YEAR

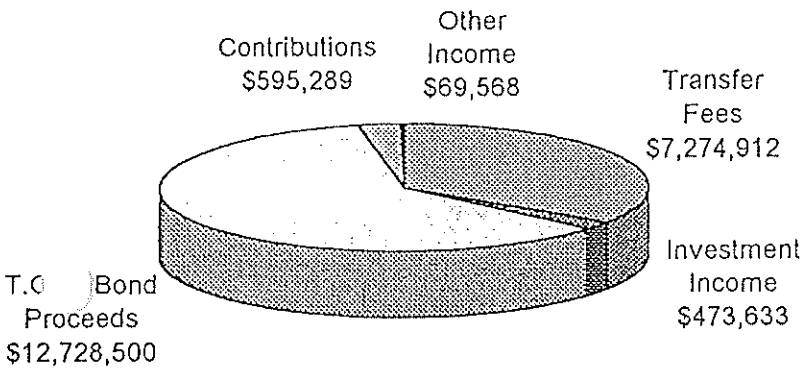


SOURCE AND USE OF LAND BANK FUNDS

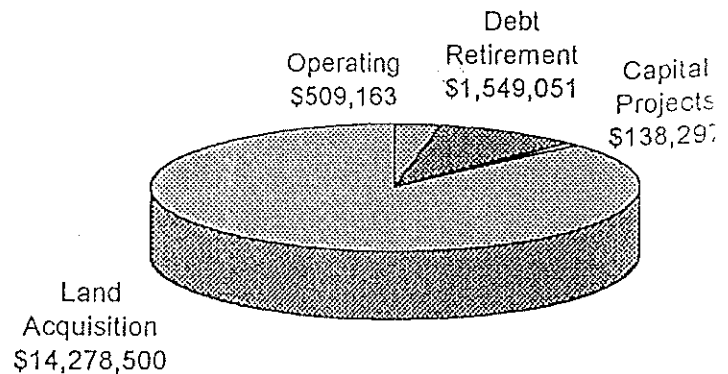
Sources of Land Bank revenue include transfer fee income, interest earned on investments, proceeds from the issuance of land acquisition bonds and notes, and charitable contributions. All funds received by the Land Bank are deposited into a revolving account which the Commission uses to administer land acquisition and property management programs, and to retire debt issued for land acquisitions.

The sources and amounts of revenue, and the funds expended during Fiscal Year 1998 are shown below:

FUNDS RECEIVED FISCAL YEAR 1998



FUNDS EXPENDED FISCAL YEAR 1998



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, 1997
REVENUES AND EXPENSES SUMMARY:

REVENUES:

Transfer Fee Revenue	\$7,274,912
Interest Earned on Accounts	473,633
\$25 Million Open Space Bond Revenue	12,728,500
Contributions	595,289
Rental Income	64,107
Miscellaneous Income	<u>5,461</u>
TOTAL REVENUE	21,141,902

EXPENSES:

Operating and Other General Expenses	\$509,163
Capital Projects and Acquisition Expenses	138,297
Land Acquisition Debt Service	<u>1,549,051</u>
TOTAL EXPENSES	2,196,511

NET INCREASE IN FUND BALANCE \$18,945,391

ASSETS, LIABILITIES AND FUND BALANCE SUMMARY:

ASSETS:

Restricted Cash	\$3,291,211
Unrestricted Cash	7,944,141
Accounts Receivable and Prepaid Expenses	10,000
Pledge Receivable	533,300
Land and Buildings	60,341,135
Land Deposits	295,500
Prepaid Fees	45,500
Value of Life Insurance	<u>118,068</u>
TOTAL ASSETS	\$72,578,855

LIABILITIES:

Accounts Payable and Accrued Expenses	\$10,439
Notes Payable	6,958,937
Bonds Payable	15,457,577
Accrued Interest Payable	638,133
Deferred Revenue	533,300
Miscellaneous	<u>3,250</u>
TOTAL LIABILITIES	\$23,601,636

TOTAL FUND BALANCE \$48,977,219

TOTAL LIABILITIES AND FUND BALANCE \$72,578,855

PROPERTY MANAGEMENT

Property management activities of the Land Bank included the laying out and cutting of walking trails, mowing of pastureland, brushcutting of overgrown areas to promote grassland restoration, rare plant monitoring, beach clean-up, installation of split-rail fence to delineate property lines, and improving roadways which provide public access within Land Bank properties.

Construction of boardwalks was started at the Lily Pond property over wet areas to enhance the trail walks. At the Craig property on Polpis Harbor, dingy racks were constructed to organize dingy storage and protect the saltmarsh. Approximately 15 acres of land was brushcut at the Land Bank's Ram Pasture/Sanford Farm property as part of a long-term project to open up scenic vistas and restore native grasslands.

LAND ACQUISITIONS - FISCAL YEAR 1998

The Land Bank added 230 acres of new land to its holdings during Fiscal Year 1998. A description of each of the year's new acquisitions and potential property uses is detailed in chronological order:

Mount Vernon Farm - Hummock Pond Road

The Town assigned its option to purchase this property to the Land Bank. It is located on the eastern side of Hummock Pond Road at its intersection with Bartlett Farm Road. This property was acquired with the generous financial assistance of the Nantucket Green Fund, Inc. and Blue Dot Foundation. The property consists of approximately 26 acres of agricultural and pasture land. Preservation of this land will protect the scenic views enjoyed by the many travellers along Hummock Pond Road.

Purchase Price: \$1,203,000
Acquisition Date: July 23, 1997
Management Strategy: Scenic Open Space Protection, Agricultural and Recreational Uses

Nicolaci Property - Millbrook Road

This property is located on the south side of Millbrook Road and consists of approximately 23 acres of woodland. The property connects large tracts of conservation land owned by the Nantucket Conservation Foundation, Inc. and Massachusetts Audubon Society forming a contiguous open space corridor around most of Hummock Pond.

Purchase Price: \$900,000
Acquisition Date: July 24, 1997
Management Strategy: Open Space Protection, Pond Access, Walking Paths

Middlesex Land Trust & Norwood Farm Trust - Trot's Hill/Madaket Road

The property consists of five separate parcels along the north side of Madaket Road west of Cliff Road. With a total area of 28 acres, this area of gently rolling hills is primarily grassland with some pineland areas.

Purchase Price: \$625,000
Acquisition Date: August 22, 1997
Management Strategy: Open Space and Scenic Resource Protection, Recreation, and Grassland Restoration

Open Land Fund

The Land Bank received a gift of 5 parcels of land totalling 19 acres from the Open Land Fund, Inc. The parcels include the following: 78 Quidnet Road, 10 East Tristram Avenue, 167 Madaket Road, and 100 Miacomet Road.

Purchase Price: Gift
Acquisition Date: September 16, 1997
Management Strategy: Open Space and Scenic Resource Protection, and Recreation.

Rodts Property - Polpis Road

This 49 acre property is located on the south side of Polpis Road across from the Shawkemo area. The highest knoll on the property is nearly as high as Altar Rock with panoramic views of Town, Tuckernuck, Great Point, Coatue, Nantucket Harbor, Sankaty Lighthouse, and Tom Nevers. Acquisition of this rolling property adds even more land to Nantucket's largest contiguous open space tract known as the Middle Moors.

Purchase Price: \$3,600,000
Acquisition Date: September 18, 1997
Management Strategy: Open Space and Scenic Resource Protection, Recreation, and Grassland Restoration

Anastos/Haddon - Madaket Road

This 16 acre parcel is located on the north side of Madaket Road just east of the Head of Long Pond. Its rolling topography includes a high knoll which overlooks Eel Point, Madaket, and Tuckernuck. The property directly abuts an additional 28 acres recently acquired by the Land Bank.

Purchase Price: \$1,900,000
Acquisition Date: October 17, 1997
Management Strategy: Open Space and Scenic Resource Protection, Recreation, and Grassland Restoration

Barry - Smooth Hummocks

This 32 acre tract of land is located in the Moorlands Management District to the west of Miacomet Pond. It has approximately 400 linear feet of frontage on the Atlantic Ocean. The property is a prime example of Nantucket's unique sandplain grassland and coastal heathland habitat and abuts additional conservation land held by the Land Bank and Nantucket Conservation Foundation, Inc.

Purchase Price: \$2,800,000
Acquisition Date: January 5, 1998
Management Strategy: Open Space and Scenic Resource Protection, Beach Access, Recreation, and Grassland Restoration

Norwood Farm Trust - The Plains/Hummock Pond

This property consists of 2.8 acres of land located on the west side of Hummock Pond. It links more than 200 acres of Land Bank land to Hummock Pond.

Purchase Price: \$300,000
Acquisition Date: January 5, 1998
Management Strategy: Protection of Scenic and Open Space Resources, and Recreational Uses.

Stone Sachus Realty Trust - Milestone Road and Nobadeer Farm Road

This 31 acre property is located on the west side of Nobadeer Farm Road at its intersection with Milestone Road. The parcel is located within the Town's aquifer protection district and is densely forested with pine and scrub oak trees. With almost 1,000 feet of frontage along Milestone Road, it will serve as a scenic buffer along this well preserved stretch of road.

Purchase Price: \$1,700,000
Acquisition Date: February 27, 1998
Management Strategy: Protection of Scenic and Open Space Resources, and Recreational Uses.

Becker - Trot's Hills

This property consists of 4 separate lots with a total area of 7 acres. It is located between Eel Point Road and Madaket Road, and is characterized by a rolling landscape with scenic vistas of Dionis, Eel Point, and Nantucket Sound. The acquisition was a combined effort which included the acquisition of an additional lot by the Nantucket Conservation Foundation, Inc. The parcels purchased contribute to the integrity of other adjacent open space, and to the character of Trot's Hills.

Purchase Price: \$1,100,000
Acquisition Date: March 18, 1998
Management Strategy: Protection of Scenic and Open Space Resources, and Recreational Uses.

Ayers - Surfside Road

This 3 acre property is located off of Surfside Road and contains a mix of cedar trees, pine trees, and grasses.

Purchase Price: \$150,000
Acquisition Date: May 7, 1998
Management Strategy: Protection of Scenic and Open Space Resources, and Recreational Uses.

The Land Bank Commission would like to express its sincere gratitude to the voters of Nantucket for supporting conservation and the efforts of the Land Bank with their approval of the \$25 million bond which gave the Land Bank the additional financial resources needed to compete in the extremely active real estate market.

Kenneth W. Holdgate, Jr.,
Chairman