

NANTUCKET LAND BANK COMMISSION

ANNUAL REPORT
FISCAL YEAR 1999

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 169.1 acres of land at a cost of \$9,836,500 during fiscal year 1999. Land Bank holdings now total 1,963 acres of land, with an additional 105 acres permanently protected by conservation restrictions. Since its inception the Land Bank has expended \$67,504,722 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 1999 real estate market conditions remained on the rise, yielding \$7,636,392, the largest transfer fee revenue annual total 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 1999 fiscal year 311 acres had been purchased with the proceeds of the bond at a purchase price of \$22,428,500.

This year the Land Bank refinanced a majority of its existing bond debt lowering its average interest rate from approximately 7.5% to 4.98%. This will save the Land Bank approximately \$1,400,000 in interest costs. The success of the bond refinancing was due to the extremely low interest rates in the bond market which were at a 25 year low.

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:

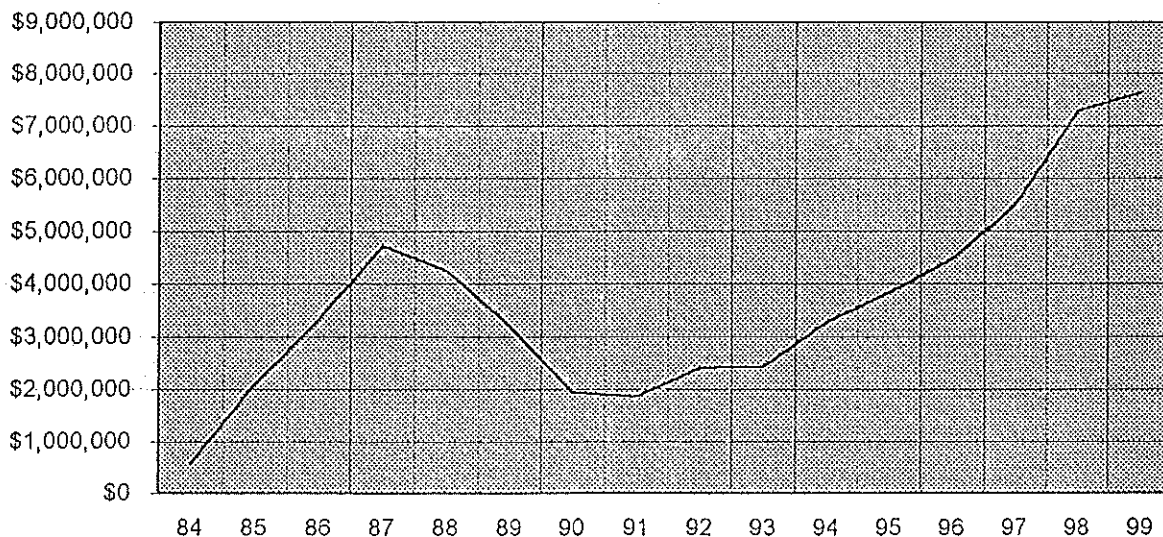
Philip D. Bartlett	April 2000
John D. Brock	April 2004
Kenneth W. Holdgate, Jr.	April 2002
Timothy R. Madden	April 2001
Donald T. Visco	April 2003

The Commission received full time staff support from Director Eric Savetsky (since 1997), Office Administrator Craig D. Hunter (since 1989), Property Manager Bruce W. Perry (since 1997), and Assistant Property Manager Robert W. Earley (since 1997). Part-time summer office staffing was provided by Molly R. Hess.

REAL PROPERTY TRANSFERS AND FEE COLLECTION

During the year the Land Bank processed 1,385 real property transfers, having a total gross value of \$403,205,857. Land Bank income received from the collection of the transfer fee totaled \$7,636,392 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

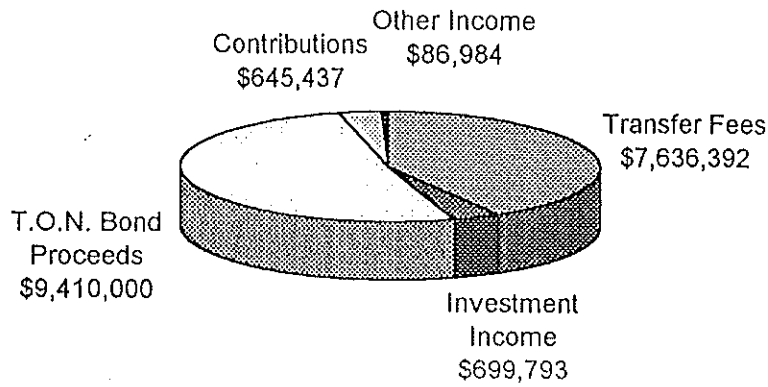


SOURCE AND USE OF LAND BANK FUNDS

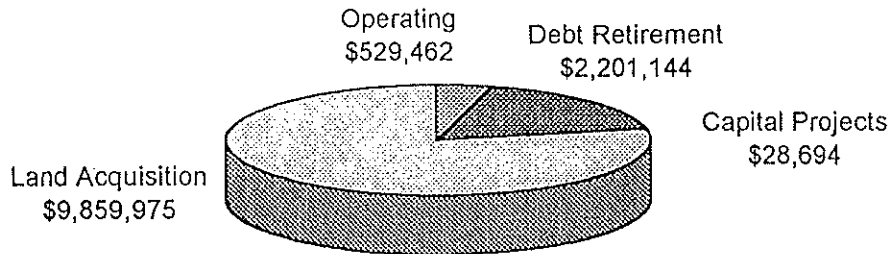
Sources of Land Bank revenue include transfer fee income, interest earned on investments, proceeds from the issuance of land acquisition bonds and notes, and charitable contributions. All funds received by the Land Bank are deposited into a revolving account which the Commission uses to administer land 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 1999 are shown below:

FUNDS RECEIVED FISCAL YEAR 1999



FUNDS EXPENDED FISCAL YEAR 1999



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, 1999
 REVENUES AND EXPENSES SUMMARY:

REVENUES:

Transfer Fee Revenue	\$7,636,392
Interest Earned on Accounts	699,793
\$25 Million Open Space Bond Revenue	9,410,000
Contributions	645,437
Other Income	<u>86,984</u>
TOTAL REVENUE	18,478,606

EXPENSES:

Operating and Other General Expenses	\$558,156
Capital Projects and Acquisition Expenses	28,694
Land Acquisition Debt Service	<u>2,201,144</u>
TOTAL EXPENSES	2,759,300

NET INCREASE IN FUND BALANCE \$15,719,306

ASSETS, LIABILITIES AND FUND BALANCE SUMMARY:

ASSETS:

Real Estate:	
Land	\$70,255,424
Land Deposits	687,420
Building and improvements, net accumulated depreciation of \$62,669	512,430
Cash and equivalents:	
Designated	4,656,298
Undesignated	10,130,303
Accounts receivable	25,000
Due from Town of Nantucket	250,000
Prepaid fees	224,436
Cash value of life insurance	<u>154,923</u>
TOTAL ASSETS	\$86,896,234

LIABILITIES:

Accounts Payable and Accrued Expenses	\$4,540
Notes Payable	5,765,000
Bonds Payable	15,992,396
Accrued Interest Payable	440,255
Deferred Revenue	533,300
Miscellaneous	<u>3,550</u>
TOTAL LIABILITIES	\$22,205,741

TOTAL FUND BALANCE \$64,690,493

TOTAL LIABILITIES AND FUND BALANCE \$86,896,234

PROPERTY MANAGEMENT

Property management activities this year included the creation and maintenance of walking trails, annual mowing of pastureland, brushcutting of overgrown areas to promote grassland restoration, rare plant monitoring, piping plover and least tern nesting protection and monitoring, beach clean-up, beach access management, installation of split-rail fence to delineate property lines, and improving roadways which provide public access to Land Bank properties.

Lily Pond Property - Construction of boardwalks was completed at the Lily Pond property over wet areas to enhance the trail walks.

Sanford Farm Property - In addition to annual mowing, approximately 20 additional acres were mowed at Sanford Farm to eliminate dense scrub brush, restore native grasslands and open up scenic vistas. In addition, a small parking area on Barrett Farm Road was created for public access.

Miacomet Golf Course - The Miacomet Golf Club exercised its option to renew their lease for an additional 10 year. An upgraded irrigation system now ensures the fairways remain green throughout the dry summer months. Numerous trees were removed from the area east of the course as part of grassland habitat management. Cedar trees from this area were relocated onto the golf course.

Nicolaci Property/Millbrook Road - 10 acres were mowed to open up scenic views and promote grassland growth. A parking area was created on Millbrook Road for public access.

Miacomet Park - Due to active use as a public beach, this area received extensive management including access road repairs, road and parking area delineation including signage, and dune protection.

Marble/Somerset Farm Property - Professional botanists performed a full season plant inventory. Prior to the growing season, 3 acres of scrub pine trees were removed and the entire property was mowed to remove invasive shrubs and promote grassland growth.

Jackson Point Property - Dinging racks, similar to those installed at the Craig Property at Polpis Harbor last year, were constructed to organize and help protect the marsh.

LAND ACQUISITIONS - FISCAL YEAR 1999

The Land Bank added 171 acres of new land to its holdings during Fiscal Year 1999. A description of each of the year's new acquisitions and potential property uses is detailed in chronological order:

Maria Mitchell/Forman Preserve - West Miacomet Road

The Land Bank is grateful for the gift of this property from the Maria Mitchell Association. The property consists of approximately 4 ½ acres of land directly abutting both Miacomet Pond and the Atlantic Ocean. The Land Bank will manage public use of the beach and preserve the pond frontage along West Miacomet Road.

Purchase Price:	\$3,000 (to cover Maria Mitchell Association legal costs)
Acquisition Date:	July 7, 1998
Management Strategy:	Beach management and wetland preservation.

The Plains Division - Barrett Farm Road

The Land Bank added approximately 53 acres to its substantial holdings in the area south of Madaket Road known as the Plains. The property is located between the Barrett Farm Road and Massasoit Bridge Road.

Purchase Price: \$3,650,000
Acquisition Date: July 8, 1998
Management Strategy: Open space and scenic resource protection, grassland restoration, and public recreation.

Miacomet Park - Miacomet Road

The Land Bank completed an eminent domain taking of numerous title interests in order to clear title to the property. This property is located at the south end of Miacomet Road and consists of approximately 45 acres of coastal dune and beach. The property adds to existing Land Bank and Town owned properties within the area.

Purchase Price: N/A
Acquisition Date: October 6, 1998
Management Strategy: Open space protection, pond and beach access/management.

Haddon - Dionis Beach Road

This two acre property directly abuts one of the Town's longest stretches of publicly owned beach located at the end of Dionis Beach Road. This acquisition will serve to enhance this popular public beach area.

Purchase Price: \$1,200,000
Acquisition Date: October 23, 1998
Management Strategy: Open space and scenic resource protection, and public recreation.

Lenox Nominee Trust - Douglas Way

This nine acre property was one of the most valuable gifts ever received in the Land Bank's 15 year history. Located in the Trot's Hills area, it directly abuts several other Land Bank properties in this scenic area overlooking Nantucket Sound and the Island's west end.

Purchase Price: Gift
Acquisition Date: December 30, 1998
Management Strategy: Open space and scenic resource protection, grassland habitat restoration and management, and public recreation.

Everett/ Smooth Hummocks - West Miacomet Road

This 30 acre parcel in the Moorlands Management District has over 450 feet of frontage on the Atlantic Ocean. It directly abuts Land Bank and Nantucket Conservation Foundation property in this scenic sandplain grassland area.

Purchase Price: \$2,800,000
Acquisition Date: March 1, 1999
Management Strategy: Open space and scenic resource protection, sandplain grassland habitat restoration and management, and public recreation.

Hills/Munroe - Plains Pasture

This approximately 7 acre property is located off of Barrett Farm Road in the Plains Pasture area with frontage on Clark Cove. The property directly abuts extensive Land Bank holdings in this area.

Purchase Price: \$180,000
Acquisition Date: March 17, 1999
Management Strategy: Open space and scenic resource protection, grassland habitat restoration, and public recreation.

Pilot Whale Realty Trust - Surfside Road

Phase 1 of a three part purchase was completed this year. 2.5 acres were acquired abutting other Land Bank property. This tract abuts school property and could provide area for future public recreational opportunities. The property is also identified as part of the Town's proposed greenbelt.

Purchase Price: \$480,000
Acquisition Date: May 21, 1999
Management Strategy: Open space and scenic resource protection, and public recreation.

Voorneveld Farm/Peterson Property - Madaket Road

This 10 acre property has 900 feet of frontage on the south side of Madaket Road just outside of Town. The Madaket Road bikepath runs along the frontage of the property. It contains an extensive wetland system and is a significant scenic resource along one of the Island's main roads.

Purchase Price: \$850,000
Acquisition Date: June 23, 1999
Management Strategy: Open space and scenic resource protection, bikepath enhancement, and public recreation.

Once again, 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