Coast Guard Design & Development Advisory Committee

Purpose:

Committee seeks to update the Public of the status of our analysis and planning.

Coast Guard Houses & Abutters

Objective

- Plan design/development for disposition of a parcel of land which currently has 12 single family homes on it in order **to maximize long term benefits to the town.**
- We found & discussed a benchmark timeframe of 50-100 years in municipal planning

Overview

- Work Plan & Process
  - Criteria
  - 2 remaining options (we began with 16)

- Data
  - Hall Company, Property Managers
  - Real Estate Experts
  - Assessor – tax information
  - Carl Easton – 40B report
  - Public Input- less than expected

Existing Site Conditions

- 1 Parcel – 3.355 Acres
  - 12 Houses 3 br/1 bath - built in 1950s as temporary military housing
  - 2x3 construction, slab on grade
  - Underground oil tanks
  - Suspected Asbestos & Lead Paint
  - Vintage 1970s roofs and heating systems
  - Houses situated on mounds
  - 10 foot strip of property part of Castle Road
  - 30.9 foot wide area part of first tee
  - Portion of property blocks access gravel path to storage bunker

Existing Financials

- Loan
  - Purchased for 2.2 million at .9% interest (1st 10 years)
  - Current amount owed 1.8 million at .5% interest (2nd 10 years)
  - 5 years remain on current loan
  - Since 2009 only yearly interest being paid
- Operating Costs
  - Rentals - $1350. - $1650/mo – below market value
  - Hall Management Cost - $51,500 (fee based on percentage of rent)
  - New Tenant costs (upgrades of houses ~ $6,000 i.e. new carpet, paint, appliances, etc.)
  - Other operating costs
  - Recent heating system replacement at 2 houses(~$12,000)
- Profit from rental annually approx. $125,000/yr - > $1MM to date

Work Plan: Nahant CCHC to be filled out by committee…..(09/12/2017)

Phase	1 Planning, process & development of options	2 Preliminary data analysis & evaluation to prioritize	3 Presentation & review initial findings w/key issues/areas (Hearing)	4 Detailed analysis & evaluation of better options	5 Presentation & review detailed findings w/key issues/areas (Hearing)	6 Finalize best land use options; Restrictions, guidelines & Documentation
Tasks	• Establish committee, objective, scope & work plan ▪ Develop & finalize committee process ▪ Identify/obtain & review past relevant work ▪ Obtain input for land use scenarios ▪ Selectmen's challenge ▪ Town depts. ▪ Public input ▪ Develop/identify options for use ▪ Develop necessary data sets to evaluate options	▪ Obtain, collect or develop supporting data & information for each element for each scenario ▪ If unable to accomplish, specify information gap needed to be filled ▪ Identify expertise to fill gaps (source for key scenarios) • Prepare information package for each scenario to share w/committee • Evaluate against preliminary criteria	▪ Prepare findings & data to extract key learning's at hearing. Make presentation to town committees ▪ Present land use options and preliminary findings to solicit feedback on each option (public hearing) ▪ Present criteria & preliminary rating for each to obtain consensus on reducing number of options to <5 ▪ Synthesize learning's into preliminary scenarios to address issues & fill gaps	▪ Review necessary revisions for each option ▪ Identify where additional expertise is needed… ▪ Expedite resolution of issues & gaps ▪ Revise each remaining scenario appropriate to have consistent data sets for all ▪ Evaluate revised scenarios against revised criteria	▪ Prepare revised detailed findings and data…for each of the more attractive scenarios ▪ Prepare appendix page w/supporting details for each ▪ Post information so Nahant residents have sufficient time to evaluate each before scheduled hearing	▪ Address any new or problematic issues revealed by hearing & finalize information & documentation for the best options • Prepare clear supporting recommendation and stipulations for each attractive land use option to enable the town to specify exact conditions of sale/use…
Deliverables	▪ OSWP outlined for CCHC's objective ▪ Town committee /Dept input ▪ Collect and list potential scenarios ▪ Draft (~6-10) land use scenarios ▪ Draft necessary data sets for evaluation ▪ Develop preliminary evaluation criteria	▪ Develop & modify scenario descriptions to 6-10 preliminary ▪ Identify all potential issues for each scenarios ▪ Obtain agreed data sets for each scenario ▪ Prepare Executive level PPT of macro finding & status of committee's progress…	▪ Publish/present macro findings to maintain communication channels w/selectmen & town ▪ Identify & collect necessary revisions to scenarios for detailed analysis	▪ Revised options and remaining details to address ▪ Address all key issues & gaps using internal or external expertise…	▪ Publish/present final recommended scenarios w/supporting details at public hearing	▪ Executive level presentation documenting revisions with supporting documentation ▪ Highlight benefits & issues of each scenario

Accepted work plan 9/20/17

Criteria

Criteria	Low	Medium	High
Design & character that fit w/neighborhood…(2X)	• Larger house • <31'-35' height • < 45% (FAR) Floor area ratio • 2+ car parking		• Small- medium size house • < 30' height. • 2- car parking • 23-30% (FAR) floor area ratio limit
Financial- (sale)	• Money from disposition less than 1.8MM	• Pay off the loan completely… • >$1.8 MM TBD	•Positive on-going cash to town : • tax income • > $3.6 MM
Financial- (ongoing)	• Lower Tax revenue	• Pro-forma estimate => $ 50k/yr • Pro-forma estimate => $ 720K over 15 years	• Higher tax revenue
Least negative impact on neighborhood	• High traffic • High density • Long term transition	• 12 home lots w/restrictions • scheduled construction	• Low traffic •Low density •Short/managed transition
Housing needs of the town- Affordability	• Large house- multi-level • > higher price		• Small house-1 level • Multi-bedroom • moderately priced
Housing needs of the town- Elderly/young	Elderly • Large house- multi-level >"$" Young family • Big "$" large house-small yard		• Small house-1 level, < "$" Yard + < "$" • Multi bedroom
Address 40B need (even if partially)	This criteria has been dropped		
Respectful of current zoning by-laws	• As is…Conforms to current zoning requirements, •subject to review	• Variance and special permits required • Deed restrictions	• Zoning overlay district to reduce building area ratio to…
Ability to execute	• Difficult to "pull off"… • Development process & timing unclear • Town approval or "buy-in" required		•Feasibility of plan is high and documented • High probability…

★ Financial scores will be 1-5 (low to high) respectively and combined.

Steps to be taken regardless of our option

- Property must be subdivided into individual lots
    a. cost for surveys
    b. legal fees
    c. Upfront funding

- New Subdivision currently requires cul-de-sac/circle and sidewalks

- Oil tanks must be removed

- Give Notice to current renters

- Town Meeting Vote

- Review and Recommendation by the Town Owned Land Study Committee to sell town land

- Property must be sold in accordance with Massachusetts procurement laws

Options - Summary

Sell as is (with restrictions)	Tear down - sell 12 lots (with restrictions)
Subdivide property and sell 12 individual lots proportioned around existing houses. This is the easiest option, least amount of work for the town, and greatest immediate financial gain. This option leaves an existing neighborhood of “temporary military houses” and diminishes the long term financial and aesthetic value. Subdividing the property may require approval of the Zoning Board of Appeals due to creation of non-conforming lots. This could also limit impact to neighborhood in the way of construction.	Tear down houses, level property, subdivide, and sell 12 lots to comply with zoning by-laws. This provides a “clean sheet of paper” approach – the ability to subdivide and grade the property more attractively and more in line with zoning by-laws. It provides for immediate income, and the most long term financial and aesthetic value. However there would be an upfront cost to tear down existing houses and contour the land. There will also be an impact to the neighborhood during construction activities.

Comparison - Pros

Sell as is (with restrictions)	Tear down - sell 12 lots (with restrictions)
• Large immediate financial gain • Tax revenue immediately • Less work for the town • Empty nesters are the greatest market, 1 level living • Reasonable pricing could attract young buyers	• Large immediate financial gain • Will result in greater tax dollars long term • More attractive / more variation • Revised contouring will allow set-back of new buildings • Empty nesters could downsize to new home of their design • Predictable Impact to neighborhood

Comparison - Cons

Sell as is (with restrictions)	Tear down - sell 12 lots (with restrictions)

• Military laid out housing division:
  – Temporary Military built houses
  – Mounds / undesirable topography
• Lot lines will need to be adapted
• May result in some of existing buildings never being improved
• Replace oil tanks where needed (with above ground tanks)
• Tax revenue will be less than current rental income
• Unpredictable impact to neighborhood
• Difficult to bring existing houses up to code
	• Cost to tear down and contour the site
	• 1 to 3 years construction impact
	• May not completely address housing needs of the town
	• Tax revenue will be less than current rental income

Comparison - Financial

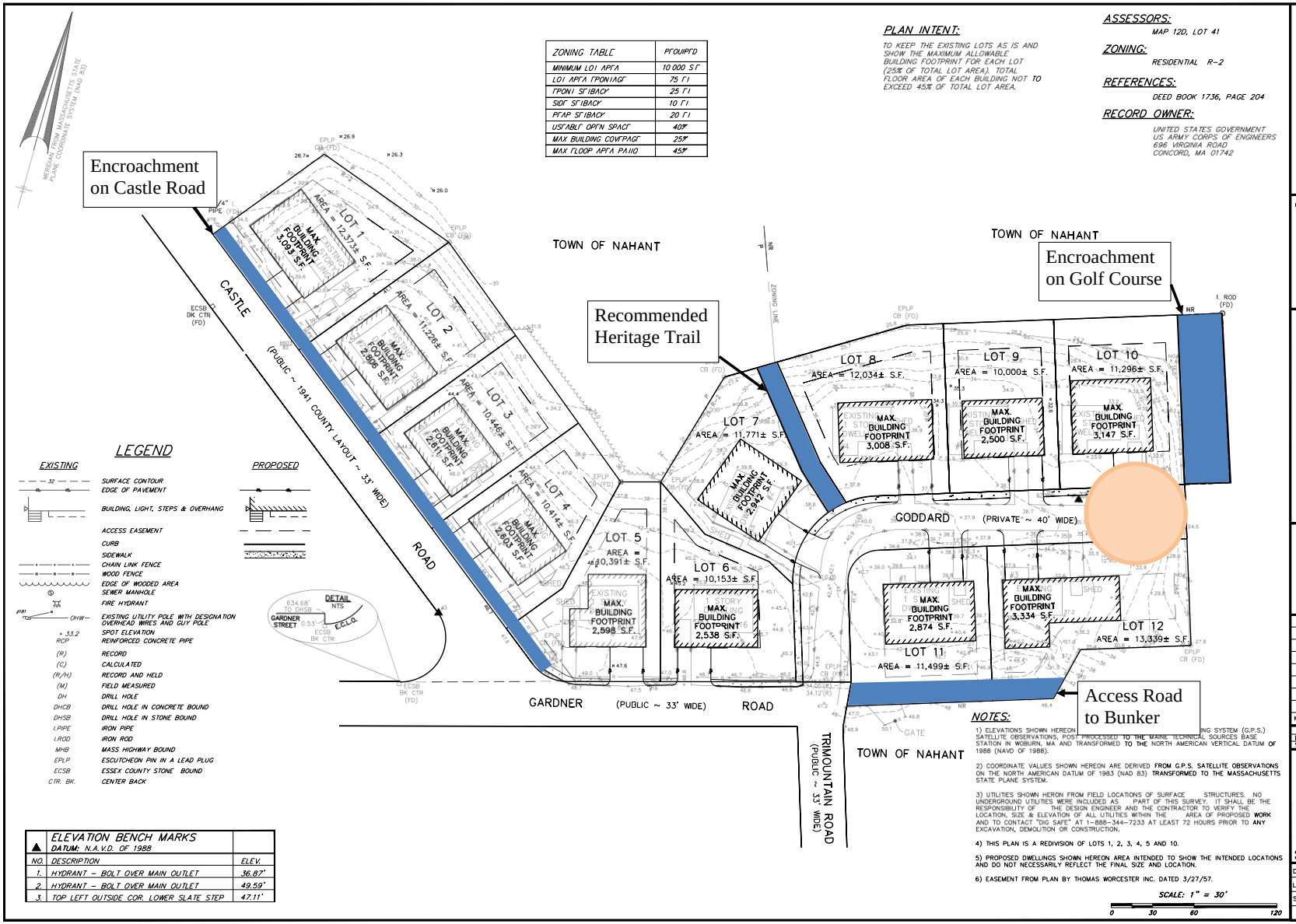
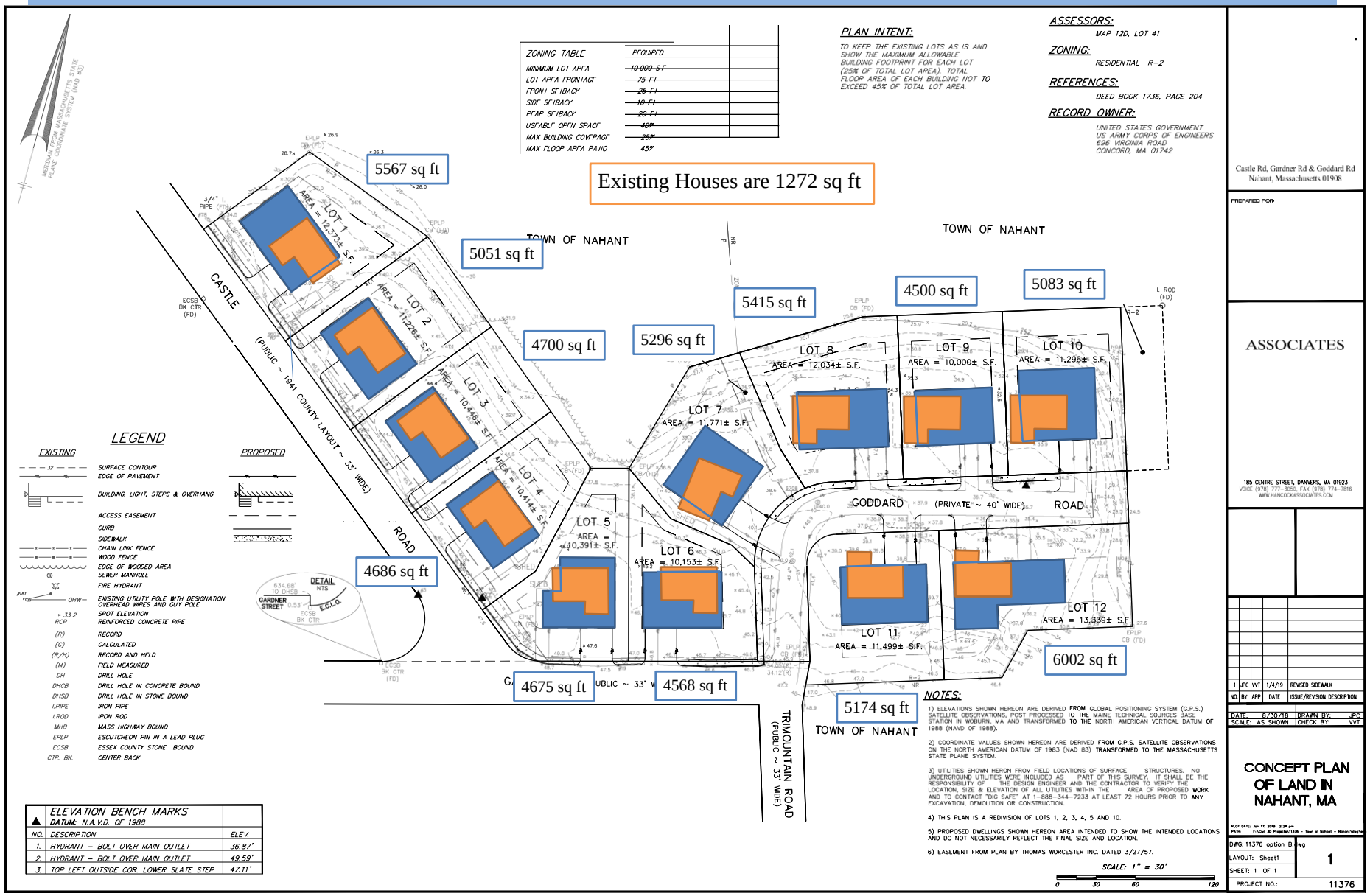
Sell as is (with restrictions)	Tear down - sell 12 lots (with restrictions)

• Sales potential $3.6 - 4.8 Million
• Taxes for existing 12 house ~$4800/house ($57,600/yr)
• Anticipated with 6 new/6 existing houses – increased tax revenue ~$6800/house (projected tax $69,600/yr)
• Cost to install new above ground oil tanks $48,000
	• Sales potential $3.6 – 4.2 million
	  – ~$81,600 on going tax revenue
	  – ~$160,000 Upfront Tear Down Cost & Contour

Committee Agrees to the Following:

- To limit lot overdevelopment – any future building will be limited to a maximum of 25% FAR (Floor Area Ratio) With no relief from Zoning Board of Appeals
- Town to retain a 15 foot wide path to connect the Heritage Trail to Bailey's Hill
- Town should retain 5 to 10 feet of Castle Road to clear encroachment on Castle Road
- Town should retain 30.9' wide track of land abutting the golf course to clear encroachment on land to first Tee
- Town should retain property that allows dirt road access to Bunker
- Town should limit sales to 1 house or lot per individual/entity/group
- Deed restriction should be placed on all deeds so that lots cannot be combined
- Require that Loan and associated costs for the sale of the property be paid off first with any profits from sale
- Recommend setting a minimum bid for each house or lot based on current market rate at time of sale
- Recommend immediate increase in rent to market value until disposition is finalized
- The Town of Nahant should pursue every avenue in getting the US Govt to remove the underground storage tanks

Land retained by town regardless of option:



Existing houses vs Potential houses with 45% FAR