

# Presentation at Selectmen's Meeting 3/21/2019

Nahant's Coast Guard Design & Development Advisory Committee

*AS presented*

**Purpose:**

- Committee seeks to update the Selectmen and Town on current 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

- Committee
  - Members
- Work Plan & Process
  - Criteria
  - Options – we began with roughly 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 area part of first tee
  - Portion of property blocks access road to storage bunker

## Existing Financials

- Loan
  - Purchased for 2.2 million at .9% interest (1<sup>st</sup> 10 years)
  - Current amount owed 1.8 million at .5% interest (2<sup>nd</sup> 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
  - 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

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	<ul style="list-style-type: none"> <li>• Establish committee, objective, scope &amp; work plan</li> <li>• Develop &amp; finalize committee process</li> <li>• Identify/obtain &amp; review past relevant work</li> <li>• Obtain input for land use scenarios                             <ul style="list-style-type: none"> <li>▪ Selectmen's challenge</li> <li>▪ Town depts.</li> <li>▪ Public input</li> </ul> </li> <li>• Develop/identify options for use</li> <li>• Develop necessary data sets to evaluate options</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain, collect or develop supporting data &amp; information for each element for each scenario</li> <li>• If unable to accomplish, specify information gap needed to be filled</li> <li>• Identify expertise to fill gaps (source for key scenarios)</li> <li>• Prepare information package for each scenario to share w/committee</li> <li>• Evaluate against preliminary criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare findings &amp; data to extract key learning's at hearing. Make presentation to town committees</li> <li>• Present land use options and preliminary findings to solicit feedback on each option (public hearing)</li> <li>• Present criteria &amp; preliminary rating for each to obtain consensus on reducing number of options to &lt; 5</li> <li>• Synthesize learning's into preliminary scenarios to address issues &amp; fill gaps</li> </ul>	<ul style="list-style-type: none"> <li>• Review necessary revisions for each option</li> <li>• Identify where additional expertise is needed...</li> <li>• Expedite resolution of issues &amp; gaps</li> <li>• Revise each remaining scenario appropriate to have consistent data sets for all</li> <li>• Evaluate revised scenarios against revised criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare revised detailed findings and data...for each of the more attractive scenarios</li> <li>• Prepare appendix page w/supporting details for each</li> <li>• Post information so Nahant residents have sufficient time to evaluate each before scheduled hearing</li> </ul>	<ul style="list-style-type: none"> <li>• Address any new or problematic issues revealed by hearing &amp; finalize information &amp; documentation for the best options</li> <li>• Prepare clear supporting recommendation and stipulations for each attractive land use option to enable the town to specify exact conditions of sale/use...</li> </ul>
Deliverables	<ul style="list-style-type: none"> <li>• OSWP outlined for CCHC's objective</li> <li>• Town committee /Dept input</li> <li>• Collect and list potential scenarios</li> <li>• Draft (~6-10) land use scenarios</li> <li>• Draft necessary data sets for evaluation</li> <li>• Develop preliminary evaluation criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Develop &amp; modify scenario descriptions to 6-10 preliminary</li> <li>• Identify all potential issues for each scenarios</li> <li>• Obtain agreed data sets for each scenario</li> <li>• Prepare Executive level PPT of macro finding &amp; status of committee's progress...</li> </ul>	<ul style="list-style-type: none"> <li>• Publish/present macro findings to maintain communication channels w/selectmen &amp; town</li> <li>• Identify &amp; collect necessary revisions to scenarios for detailed analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Revised options and remaining details to address</li> <li>• Address all key issues &amp; gaps using internal or external expertise...</li> </ul>	<ul style="list-style-type: none"> <li>• Publish/present final recommended scenarios w/supporting details at public hearing</li> </ul>	<ul style="list-style-type: none"> <li>• Executive level presentation documenting revisions with supporting documentation</li> <li>• Highlight benefits &amp; issues of each scenario</li> </ul>

**Accepted work plan**  
9/20/17

# Criteria

Criteria	Low	Medium	High
Design & character that fit w/ <u>neighborhood</u> ...(2X)	<ul style="list-style-type: none"> <li>• Larger house</li> <li>• &lt;31'-35' height</li> <li>• &lt; 45% (FAR) Floor area ratio</li> <li>• 2+ car parking</li> </ul>		<ul style="list-style-type: none"> <li>• Small- medium size house</li> <li>• &lt; 30' height.</li> <li>• 2- car parking</li> <li>• 23-30% (FAR) floor area ratio limit</li> </ul>
Financial- (sale)	<ul style="list-style-type: none"> <li>• Money from disposition less than 1.8MM</li> </ul>	<ul style="list-style-type: none"> <li>• Pay off the loan completely... &gt;\$1.8 MM TBD</li> </ul>	<ul style="list-style-type: none"> <li>• Positive on-going cash to town : tax income</li> <li>• &gt; \$3.6 MM</li> </ul>
Financial- (ongoing)	<ul style="list-style-type: none"> <li>• Lower Tax revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Pro-forma estimate =&gt; \$ 50k/yr</li> <li>• Pro-forma estimate =&gt; \$ 720K over 15 years</li> </ul>	<ul style="list-style-type: none"> <li>• Higher tax revenue</li> </ul>
Least negative impact on neighborhood	<ul style="list-style-type: none"> <li>• High traffic</li> <li>• High density</li> <li>• Long term transition</li> </ul>	<ul style="list-style-type: none"> <li>• 12 home lots w/restrictions</li> <li>• scheduled construction</li> </ul>	<ul style="list-style-type: none"> <li>• Low traffic</li> <li>• Low density</li> <li>• Short/managed transition</li> </ul>
Housing needs of the town- Affordability	<ul style="list-style-type: none"> <li>• Large house- multi-level</li> <li>• &gt; higher price</li> </ul>		<ul style="list-style-type: none"> <li>• Small house-1 level</li> <li>• Multi-bedroom</li> <li>• moderately priced</li> </ul>
Housing needs of the town- Elderly/Young	<ul style="list-style-type: none"> <li>Elderly</li> <li>• Large house- multi-level &gt;"\$"</li> <li>Young family</li> <li>• Big "\$" large house-small yard</li> </ul>		<ul style="list-style-type: none"> <li>• Small house-1 level, &lt; "\$" Yard + &lt; "\$"</li> <li>• Multi bedroom</li> </ul>
Address 40B need (even if partially)	This criteria has been dropped		
Respectful of current zoning by-laws	<ul style="list-style-type: none"> <li>• As is... Conforms to current zoning requirements, subject to review</li> </ul>	<ul style="list-style-type: none"> <li>• Variance and special permits required</li> <li>• Deed restrictions</li> </ul>	<ul style="list-style-type: none"> <li>• Zoning overlay district to reduce building area ratio to...</li> </ul>
Ability to execute	<ul style="list-style-type: none"> <li>• Difficult to "pull off" ...</li> <li>• Development process &amp; timing unclear</li> <li>• Town approval or "buy-in" required</li> </ul>		<ul style="list-style-type: none"> <li>• Feasibility of plan is high and documented</li> <li>• High probability...</li> </ul>

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

## Short list of options as of 3/14/19

**Sell as is:** Subdivide property and sell 12 individual lots proportioned around existing houses (with restrictions)

**Rent houses - then open space:** Continue to Rent 12 existing houses until the loan is paid off, then tear down houses and transition to open space. (Community Preservation Act {CPA} Funding)

**Sell houses/land - The rest open space:** Sell enough houses to pay off the loan then tear down remaining houses and transition to open space. (with restrictions)

**Tear down - sell 12 lots:** Tear down houses, level property, and subdivide/sell 12 lots to comply with zoning by-laws. (with restrictions)

**Tear down – sell 10 lots:** Tear down houses, level property, and subdivide/sell 10 lots to comply with zoning by-laws. (with restrictions)

## Sell As Is (with restrictions)

### **Sell as is (with restrictions):**

- This is the easiest option, the least amount of work for town, and the greatest immediate financial gain.
- There are several issues with this option which would have a detriment to the neighborhood, community, and diminishes long term financial and aesthetic value.
- There are also problematic issues that need to be addressed with respect to property lines and Castle Road.
- Subdividing the property will require approval of the zoning board due to creation of non-conforming lots.

## Sell As Is (with restrictions)

- Upfront total 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 ready the property for sale
- Cost for Survey and Legal fees

# Sell as is (with restrictions)

## Positive

- Tax revenue immediately, dependent on timing
- Less work for the town
- Less impact on the community
- Empty nesters are the greatest market, 1 level living
- Reasonable pricing could attract young buyers

## Negative

- Military laid out housing division:
  - Mounds / undesirable topography
- Lot lines will need to be adapted
- May result in half of existing buildings never being improved
- Replace oil tanks where needed (with above ground tanks)
- Tax revenue will be less than current rental income

## **Rent houses - then open space**

### **Rent houses for 10-15 years to pay off loan then transition to open space:**

- This may be the last large tract of land available for potential open space
- Rental income would be more than taxes
- Town should not be a landlord
- Rental Income needs to be used to pay down loan
- Current rental income is below market value
- No Long term Revenue

## Rent houses - then open space

- Rental Income would be twice the annual tax revenue
- Income \$120-200K a year – current rental rates
  - Gross ~ \$ 2,900,000 over 15 years @ \$1,350 a month
- Income could go to \$190-250K per year - market value Rents
  - Gross ~ \$ 3,888,000 over 15 years @ \$1,800 a month
- No tax/general fund dollars after ~15 years

# Rent houses - then open space

## Positive

- Open space
- Last chance to acquire reasonable size tract of land for town open space
- \$3-4MM + gross income over the 15 year rental period (at market value rate)
- Potential for CPA funding to pay down the loan (state CPA matching funds)

## Negative

- Town continues as landlord
- Upfront Town Costs to fix/minimum upgrade of existing housing - ~30-35K each, (roofs, kitchens, etc.) – greater rental potential
- Unknown loan rate after 5 years
- Operational budget dollars lost after 15 year rental period
- Cost to the town - \$1.8 million and 2.5% (subject to change) interest rate after 5 years
- If CPA funded
  - unknown interest rate
  - taxpayer still pays a percentage
  - requires 3 levels of approval

**Sell houses/land (w/ restrictions) – the rest open space**

- Sell 7 homes to pay off the loan
- Provide funding to tear down other homes
- Open space

**Sell houses/land (w/ restrictions) – the rest open space**

- Sales potential \$2.5 – 2.8 million
  - \$33,600/yr taxes – based on current condition
  - \$39,600/yr taxes - based on 3 new houses/4 as is

## Sell houses/land (w/ restrictions) – the rest open space

### Positive

- Pay down the loan plus town costs
- Open space/recreational use
- Short term dollars and open space
- Potential for CPA funding to pay down the loan for the portion of open space (state CPA matching funds)
- Potential CPA dollars to landscape open space

### Negative

- Less Tax Revenue
- Less Short Term Revenue
- Possible maintenance cost
- If CPA funded
  - unknown interest rate
  - taxpayer still pays a percentage
  - requires 3 levels of approval

## **Tear down - sell 12 lots (w/ restrictions)**

### **Tear down & sell lots;**

- This provides a “clean sheet of paper” approach - the ability to subdivide and grade the property more attractively and more in line with zoning bylaws.
- Cost to tear down & contour the land
- Impact to neighborhood during construction
- Provides immediate income
- Provides increased long term tax revenue

## **Tear down - sell 12 lots (w/ restrictions)**

- Tear down houses – level land – subdivide and Sell 12 House lots that comply with zoning bylaws
- Sales potential \$3.6 – 4.2 million
  - ~\$81,600 on going tax revenue
  - ~\$160,000 Upfront Tear Down Cost & Contour

## **Tear down - sell 12 lots (w/ restrictions)**

### **Positive**

- Will result in greater tax dollars compared to selling as is
- More attractive / more variation
- Revised contouring will allow set-back of new buildings
- Best long term financial gain for town
- Predictable Impact to neighborhood

### **Negative**

- Cost to tear down and contour the site
- 1 to 3 years construction impact
- May not address housing needs of the town

## **Tear Down - sell 10 lots (w/ restrictions)**

Tear down and sell 10 lots:

- Tear down and create 10 lots greater than 10,000 sq ft.
- Lots would be of varying sizes
- Reduction in Density
- Most aesthetically pleasing
- Potential for larger houses

## **Tear Down - sell 10 lots (w/ restrictions)**

- Tear down houses – level land – subdivide and  
Sell 10 House lots that comply with zoning  
bylaws
- Sales potential \$3 – 3.5 million
  - ~\$72,000 on going tax revenue
  - ~\$160,000 Upfront Tear Down Cost

## Tear Down - sell 10 lots (w/ restrictions)

### Positive

- Most aesthetically pleasing
- Revived view on Castle/Gardner roads
- Less congestion
- More attractive / more variation
- Revised contouring will allow set-back of some new buildings
- Will result in greater tax dollars compared to selling as is
- Predictable Impact to neighborhood

### Negative

- Cost to tear down and contour the site
- 1 to 3 years construction impact
- Reduced upfront revenue
- Less annual tax revenue than 12 lots
- May not address housing needs of the town

## **Committee Currently Agrees to the Following:**

- To limit lot overdevelopment – any future building will be limited to a maximum of 23% FAR (Floor Area Ratio)
- 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
- Additional restrictions are still in discussion – such as staggering sales and/or limiting purchase to 1 per individual/entity/group

# Land retained by town regardless of option:

ZONING TABLE	PROVADO
MINIMUM LOT AREA	10,000 SF
LOT AREA TOLERANCE	75 FT
FRONT SETBACK	25 FT
SIDE SETBACK	10 FT
REAR SETBACK	20 FT
MAX BUILDING COVERAGE	25%
MAX TROP AREA RATIO	45%

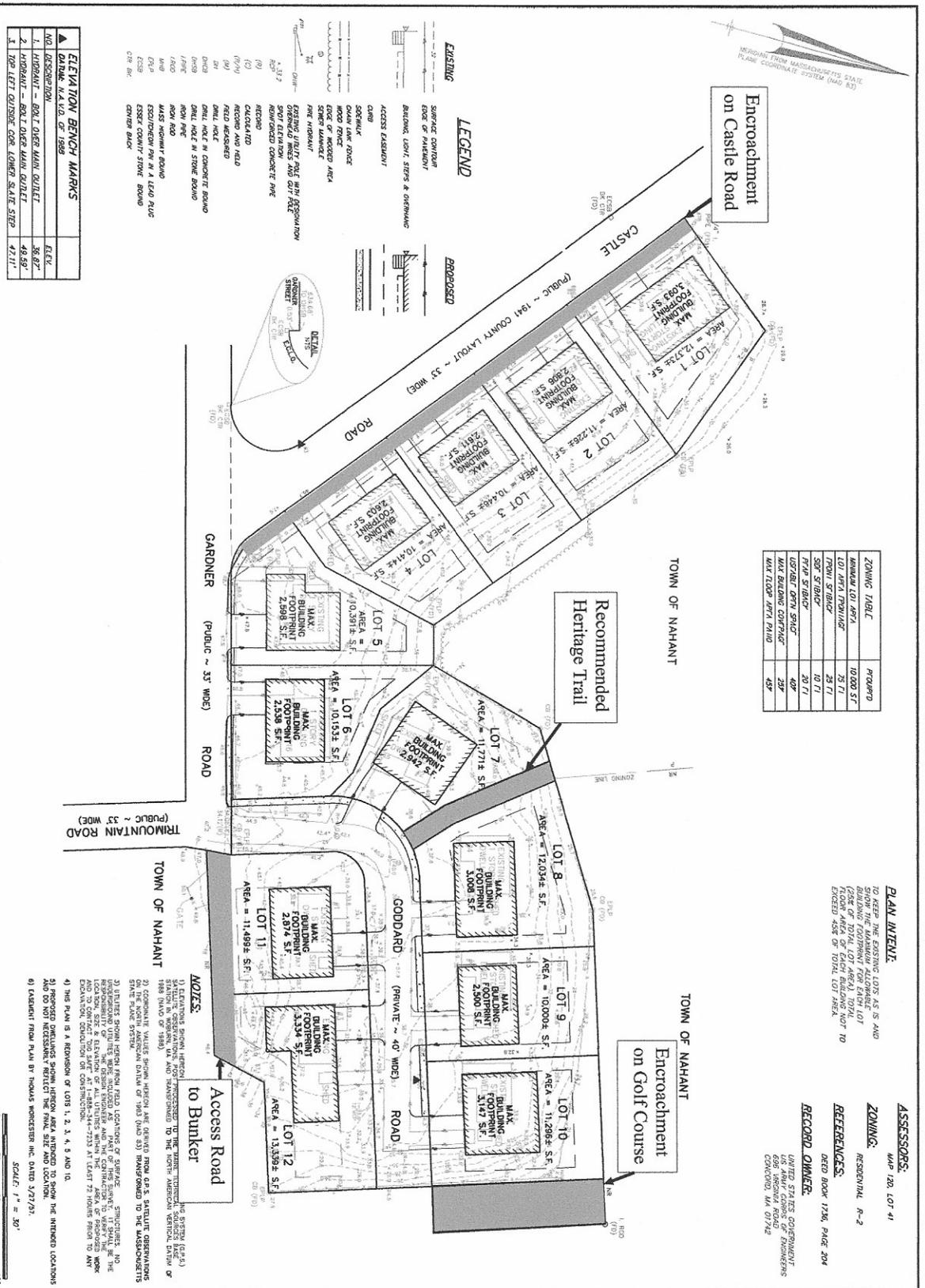
**PLAN INTENT:**  
TO KEEP THE EXISTING LOTS AS IS AND SHOW THE MINIMUM ALLOWABLE LOT SIZE OF TOTAL LOT AREA, TOTAL FLOOR AREA OF EACH BUILDING NOT TO EXCEED 45% OF TOTAL LOT AREA.

**ASSESSORS:**  
MAP 120, LOT 41

**ZONING:**  
RESIDENTIAL R-2

**REFERENCES:**  
DEED BOOK 1276, PAGE 204

**RECORD OWNER:**  
UNITED STATES GOVERNMENT  
666 WASHINGTON ROAD  
CONCORD, MA 01742



**FORT RUCKMAN BARRACKS OPTION B**

**TOWN OF NAHANT**

**HANCOCK ASSOCIATES**

Civil Engineers  
Land Surveyors  
Landscape Architects  
Environmental  
Consultants

NO OTHER SHEET IMAGES, MA 1983  
ISSUE: 08/17/2008, 08/17/2008  
PROJECT NO. 11376

**CONCEPT PLAN OF LAND IN NAHANT, MA**

DATE: 08/17/2008  
SCALE: 1" = 20'

PROJECT NO. 11376

