

Reference slides for CPC discussion- 02/12/2019

All these slides are still in a draft form & not yet ready for broader distribution beyond our discussions... We will talk you thru a couple background slide then get right to our objective of determining if CPA or other funding could contribute to 3 of our options involving open space enhancement for the coast guard site...

Objective

- Town Meeting – “plan design/development of a parcel of land which currently has 12 single family homes on it in order **to maximize long term benefits to the town**”.
- References cited by the committee used to establish our objective: (add article(s) here)
- Obtain and list other previous CG committee’s objectives in appendix for reference (why are our objectives different?)
- We found & discussed a benchmark timeframe of 50- 100 years in municipal planning....

BACKGROUND

- 1 Parcel - 3.355 Acres

12 Houses built in 1950s

3 bedroom / 1 bath

2x3 construction slab on grade

underground oil tanks

vintage 1970s heating systems and roofs

5 foot strip – part of Castle Road

30.9 foot area – part of 1st tee area of golf course

*Castle Road
tee's*

- Loan

- Original amount 2.2 million (year bought – interest rate), ~~9%~~

- Current 1.8 million

- Yearly interest paid –

- Due Date *2025*

Overview

- Committee
- Work Plan & Process
 - Criteria
 - Options
- Data
 - Hall Company
 - Real Estate experts
 - Assessor

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Committee Responsibilities

- Develop a range of appropriate land use options likely to fit with surrounding area and present a plan to the town for the development/disposition of the land known as the Coast Guard Housing
- References cited by the committee used to establish scope statements: (engagement letter)
- **How is this different from previous work?**

Criteria/ Score Card

Criteria	Low	Medium	High
Design & character that fit w/ neighborhood... (2X ?)	<ul style="list-style-type: none"> • Larger house • <32-35' • < 45% (FAR) Floor area ratio • 2+ car parking 		<ul style="list-style-type: none"> • Small- medium size house • < 30' height. 1.1/2 stories max • 2- car parking • 25-30% (FAR) floor area ratio limit
Financial - (sale)	<ul style="list-style-type: none"> • \$ Money from disposition • <= 1MM- 500K 	<ul style="list-style-type: none"> • Pay off the loan completely... >\$1.6 MM TBD 	<ul style="list-style-type: none"> • Positive cash to town on an on-going basis: tax income • > \$3.6 MM
Financial - (ongoing)		<ul style="list-style-type: none"> • Pro-forma estimate => \$ 50K p • Pro-forma estimate => \$ 720K over 15 years 	
Least negative impact on neighborhood	<ul style="list-style-type: none"> • High traffic • High density • Long term transition 	<ul style="list-style-type: none"> • 12 home lots w/restrictions • scheduled construction 	<ul style="list-style-type: none"> • Low traffic • Low density • Short/managed transition
Housing needs of the town- Affordability (1)	<ul style="list-style-type: none"> • Large house- multi-level >"\$" • >"\$" 		<ul style="list-style-type: none"> • Small house-1 level, < "\$" • Multi-bedroom
Housing needs of the town- Elderly/Young	<ul style="list-style-type: none"> • Elderly • Large house- multi-level >"\$" • Young family • Big "\$" larra house- small yard 		<ul style="list-style-type: none"> • Small house-1 level, < "\$" • Yard + < "\$" • Multi bedroom
Address 40B need (even if partially)	This criteria has been dropped, pending compelling new information		
Respectful of current zoning by-laws	<ul style="list-style-type: none"> • As is... Conforms to current zoning requirements, • subject to review 	<ul style="list-style-type: none"> • Variance and special permits required • Deed restrictions 	<ul style="list-style-type: none"> • Zoning overlay district to reduce building area ratio to... See #1
Ability to execute	<ul style="list-style-type: none"> • Difficult to "pull off" ... • Development process & timing unclear • Town approval or "buy-in" required 		<ul style="list-style-type: none"> • Feasibility of plan is high and documented • High probability...

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

Data Sets: Information to develop for each option....

- Visual & aesthetics documentation of each scenario for comparison w/others
- Financial- impact/implications (10-15 year projections, TBD- FinCom to provide guidance)
- Financial impact will be the average of 2 scores combined or averaged of both combined...TBD
 - \$'s derived from the sale or disposition and...
 - Revenue provided from on going tax revenue over a set time period
- **Criteria #1 Design & character that fit w/neighborhood...(2X ?) may be given priority scoring...**
- **The committee members have a bias towards the potential “short term” financial benefit criteria... Potential CPA funding could be pivotal to the viability of an open space option consideration...**

Introduction to our interest in CPA funding

Coast Guard Houses & Abutters

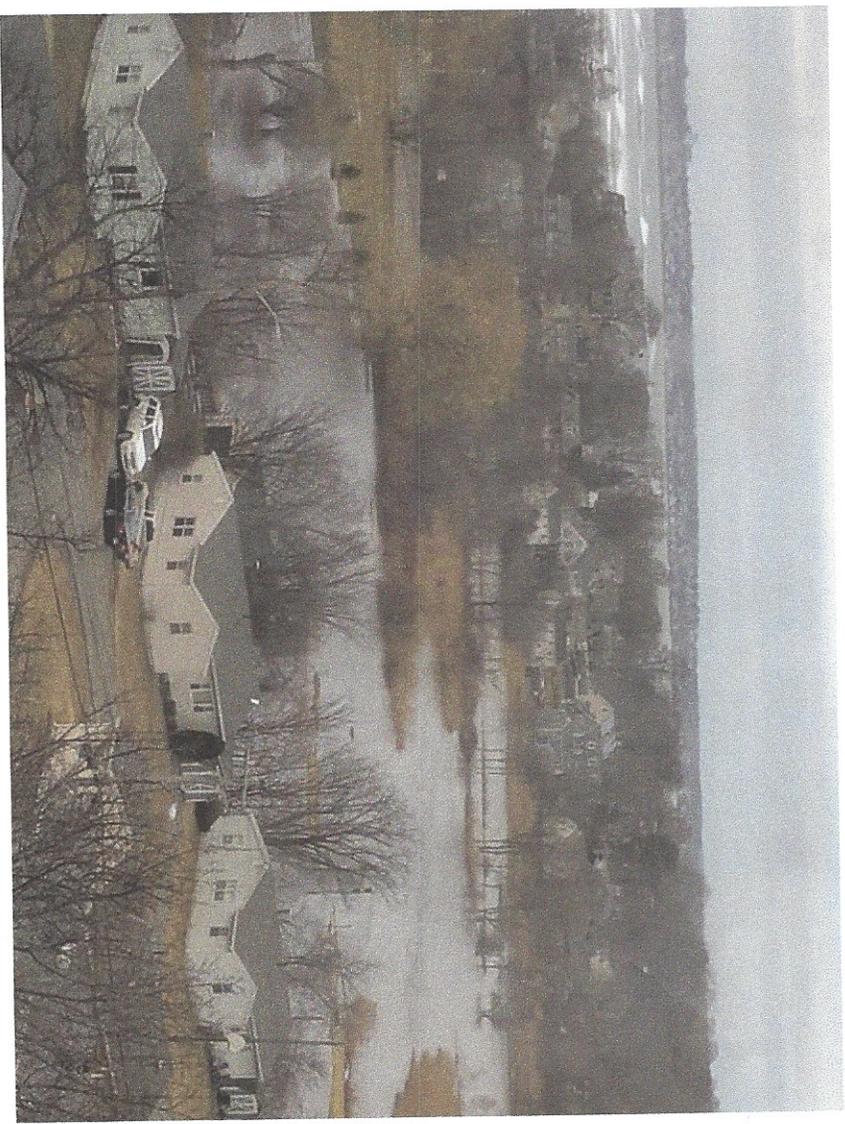
Nahant's Coast Guard Design & Development Advisory Committee seeks input on potential funding for open space/recreational use involving 3 current options for the Coast Guard site



Valuable addition to Nahant's open space

Photo courtesy of Patrick O'Reilly-
Nahant, 03/2018 storm

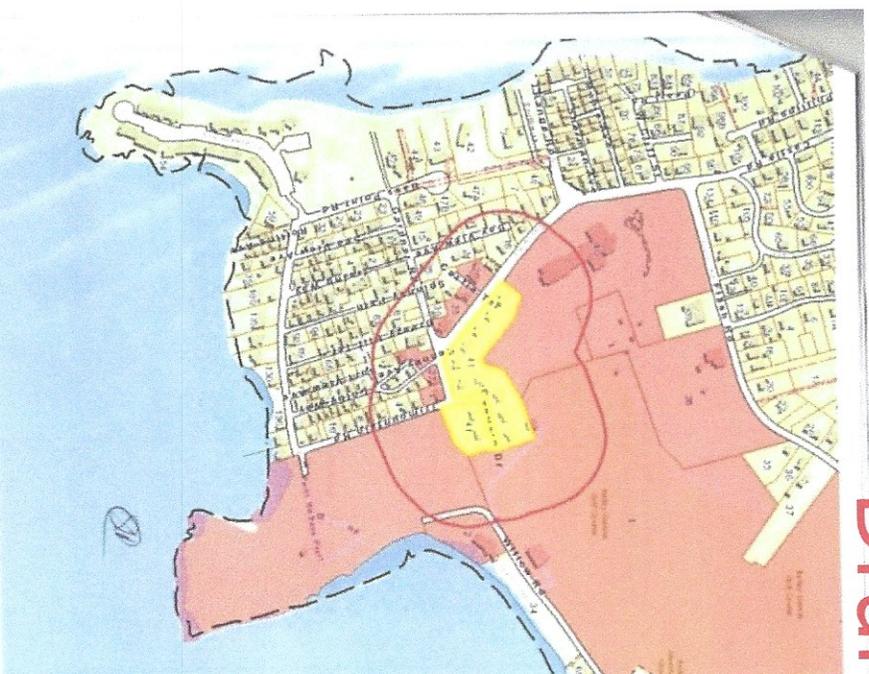
Housing units are on the north side of an "artificial" Drumlin overlooking Nahant harbor to the southeast. Each house sits atop a step-like terrace. Designed for a group of military personnel to work at the adjacent Nike site. Circa 1955



We have 3 open space options

Abutter information... Average FAR of immediate abutters with buildings \approx < 23%, most lot lines about town open space

- One option involves transitioning the entire site to open space after 15 years of current use
- A second would include approximately one acre (mostly on the Goddard rd. section)
- The third would involve bits & pieces such as; the Heritage trail, a dirt road entering the tunnels and golf course infringements



Draft

Short list of options as of- 12/2018

- 1. Sell as is with restrictions:** Cost & value of lots, condition reports, define restrictions for enough detail to evaluate, new survey based on our scenarios, risks; lead, oil tanks etc.
- 3. Rent houses for 10-15 years then open space:** Renovation & maintenance costs, revised rental fees going forward. Value of open space to town?
- 4. Sell enough houses/land w/restrictions to satisfy the loan & rest becomes open space;** Values as other options Houses & land after plot plan revised...
- 5. Tear down & sell lots;** Cost to tear down & contour the land, new lot lines to our recommendations...
- 8. Every lot 10m sq ft , rest of land open space;** As above except no ZBA approval...
- 9. Single family homes on Castle rd. + 1-2 townhomes(w/3-4 units);** Same as above, pro forma value of townhomes... **Out, 2/7/2019**
- 12. New lot lines with ~9-10 conforming lots:** Draw new plot plan with 9-10 conforming lots > 10,000 sq ft. Incorporate "potential deed restriction" in written statement then sketch visual representation to evaluate. Identify which existing homes would have to be torn down as a stipulation of compliance...

Data sheet for option #3

3. Rent houses for 10-15 years then open space: Renovation & maintenance costs, revised rental fees going forward. **Determine value of open space to town?**
- Rent for 15 years start revising rent upgrade to \$1,800 now, add improvements to \$2,200-2,500 a month
 - **New loan rate after 5 years? Who to ask? Treasure does this...**
 - **\$ 1.8MM loan @ .5% now –**
 - **Apply for CPA funding to pay off the loan & use the ~\$3,200,000 generated from 15 years rentals**
 - **Estimate increase year/year going forward**
 - **Confirm upgrade costs (\$25-30K per unit) & pro forma schedule**
 - **Open space- tear down cost+ re-grading site+ plantings**
 - **Oil tanks out- all options \$35K**

Data sheet for option #4

4. Sell enough houses/land w/restrictions to satisfy the loan & rest becomes open space; Values as other options Houses & land after plot plan revised... and potential increase in the levy limit thru the account of "new growth".

- ~8 lots or houses as is \$300-400K
- Tax income for 8 lots or houses as is ≤ 3 years, ball-park future years (15)
- Open space on back lots- Goddard rd.
- Apply for CPA funding for open space section
- Tear down costs for 4-5 + land restoration
- Oil tanks out- all options \$35K
- Cost for new sidewalks & Goddard road improvements

Data sheet for option #8

8. Every lot 10m sq ft , rest of land open space; As above except no ZBA approval...Cost to demolish, surveys, value of lots, landscaping, ZBA approval, risks-TBD...potential increase in the levy limit thru the account of "new growth".

- Draw up potential open space areas to define this concept and advantages
- Apply for CPA funds to lessen the financial burden
- Tax revenue for 12 new =>3 years, ball-park future years (15)
- Lot value \$300-350K per lots?
- Use #'s from other options to fill out data
- Oil tank removal cost \$35K- all options
- Cost for new sidewalks & Goddard road improvements
- Can we do this with out having the property staked?