

Presentation at Selectmen's Meeting 3/21/2019

Nahant's Coast Guard Design & Development Advisory Committee

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 (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
 - 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 | <ul style="list-style-type: none"> Establish committee, objective, scope & work plan Develop & finalize committee process Identify/obtain & review past relevant work Obtain input for land use scenarios <ul style="list-style-type: none"> Selectmen's challenge Town depts. Public input Develop/identify options for use Develop necessary data sets to evaluate options | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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... | <ul style="list-style-type: none"> Publish/present macro findings to maintain communication channels w/selectmen & town Identify & collect necessary revisions to scenarios for detailed analysis | <ul style="list-style-type: none"> Revised options and remaining details to address Address all key issues & gaps using internal or external expertise... | <ul style="list-style-type: none"> Publish/present final recommended scenarios w/supporting details at public hearing | <ul style="list-style-type: none"> 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) | <ul style="list-style-type: none"> • Larger house • <31'-35' height • < 45% (FAR) Floor area ratio • 2+ car parking | | <ul style="list-style-type: none"> • Small- medium size house • < 30' height. • 2- car parking • 23-30% (FAR) floor area ratio limit |
| Financial- (sale) | <ul style="list-style-type: none"> • Money from disposition less than 1.8MM | <ul style="list-style-type: none"> • Pay off the loan completely... • >\$1.8 MM TBD | <ul style="list-style-type: none"> • Positive on-going cash to town : • tax income • > \$3.6 MM |
| Financial- (ongoing) | <ul style="list-style-type: none"> • Lower Tax revenue | <ul style="list-style-type: none"> • Pro-forma estimate => \$ 50k/yr • Pro-forma estimate => \$ 720K over 15 years | <ul style="list-style-type: none"> • Higher tax revenue |
| 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 | <ul style="list-style-type: none"> • Large house- multi-level • > higher price | | <ul style="list-style-type: none"> • Small house-1 level • Multi-bedroom • moderately priced |
| Housing needs of the town- Elderly/young | <ul style="list-style-type: none"> Elderly • Large house- multi-level >"\$" Young family • Big "\$" large 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 | | |
| 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... |
| 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.

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 setback 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 | FOURPD |
|-----------------------|-------------|
| MINIMUM LOT AREA | 10,000 S.F. |
| LOT AREA TYPICAL | 75 T.I. |
| FRONT SETBACK | 25 T.I. |
| SIDE SETBACK | 10 T.I. |
| REAR SETBACK | 20 T.I. |
| USABLE OPEN SPACE | 40% |
| MAX BUILDING COVERAGE | 25% |
| MAX FLOOR AREA RATIO | 45% |

PLAN INTENT:
TO KEEP THE EXISTING LOTS AS IS AND SHOW THE MAXIMUM ALLOWABLE BUILDING FOOTPRINT FOR EACH LOT (25% 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 1736, PAGE 204

RECORD OWNER:
UNITED STATES GOVERNMENT
US ARMY CORPS OF ENGINEERS
696 VIRGINIA ROAD
CONCORD, MA 01742

FORT RUCKMAN BARRACKS

OPTION B

Castle Rd, Gardner Rd & Goddard Rd
Nahant, Massachusetts 01908

PREPARED FOR:
TOWN OF NAHANT

HANCOCK ASSOCIATES

Civil Engineers
Land Surveyors
Landscape Architects
Environmental Consultants

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CONCEPT PLAN OF LAND IN NAHANT, MA

DATE: 01/19/16
SCALE: AS SHOWN
PROJECT NO.: 11376



