

**CASE STUDIES OF
WILDLAND SUBDIVISION ACTIVITY
1980 - 1989**

Report to

USDA Forest Service
Northern Forest Land Study
Rutland, Vermont

By

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August 31, 1989



1 INTRODUCTION

This document summarizes case studies prepared for the Northern Forest Lands Study. These cases document and elucidate not only the acreages of land being affected but the diverse and complex development activities involved in convertin rural land to subdivisions.

We hope that the understanding of the land market conveyed in these cases will be useful to anyone concerned with the future of the forests and the rural communities of this region.

....Lloyd C. Irland

August 31, 1989

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NORTHERN FOREST LANDS
STUDY CASE STUDY REPORTS

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NORTHERN FOREST LANDS STUDY
CASE STUDY METHODS

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1 CASE STUDY METHODS

1.1 Goals of the Case Studies

In addressing the subject of subdivision in commercial forest areas, a logical starting point seemed the documentation of the activity that has occurred in the recent past. While it is important to make some predictions of activity expected in the future, having established a base of past development helps put the predictions generated elsewhere into perspective.

We sought to describe the subdivision activity in the region in a number of ways. By describing the size and amenities of the subdivisions created, and describing the parties involved in creating the projects, we felt we could begin to understand what has occurred.

We faced difficult choices in using limited time and funds. We decided to try to obtain a thorough understanding of how the wildland lot market is actually working in the four states. An intensive effort to contact the sellers of land and the individuals and companies doing the subdividing was warranted. As a result, we were able to gain a deeper understanding of the lot market, but still were not able to gather an exhaustive database on subdividing activity in the sample counties.

1.2 Choice of Case Study Areas/Study Period

With four states to consider, there was a wealth of information that could be collected. We did not try to document all activity throughout the

region, or create a statistical sample from which we could make an estimate of the region wide numbers. Instead, our research was intended to describe examples of the effects of, and reasons behind, subdivision on northern New England towns.

The size of the states of New York and Maine, and the large percentage of forested acres in each, indicated that two study areas in each state would be appropriate. In New Hampshire and Vermont we settled on a single county in each state. In the latter two cases, the counties chosen were the northern most, with a large percentage of forested acres. In New York, we hoped to complete two counties but time and data limitations forced us to focus only in Essex County, with only a cursory look at the western Adirondacks.

County choices were fairly simple (Table 1). With the overall study area clearly delineated, and some prior knowledge of the area, we were able to quickly narrow ourselves to the appropriate areas.

Since most of the data needed is kept at town level, we found that we would be unable to comprehensively inventory all subdivision activity even within the chosen counties. For this reason, we selected representative towns within those counties for detailed analysis.

Table 1
Summary of Case Study Areas

<u>Area</u>	<u>Traits</u>	<u>Access</u>
Washington County, ME	Heavy industry ownership Lakes	2-lane
Franklin County, ME	Heavy industry ownership Ski area	2-lane
Coos County, NH	Industry, federal ownership Lakes, Mountains	Interstate to southern trip
Orleans County, VT	Private ownership, farms Winter sports	Interstate
Essex County, NY	Adirondack Park Winter/summer recreation	Interstate

Towns were not nearly as simple to select. Those with a very large number of subdivisions or extremely controversial projects would have made dramatic case studies, but might not serve the purpose of describing the general trends occurring. In order to describe the true situation, each researcher began their study by looking at their entire county to decide which towns were most representative. Individual towns were then chosen on the basis of those best describing the transformation of forestland into subdivided lots. In counties where it was possible, a town representing each level of subdivision activity within the county was chosen (Table 2).

In a similar fashion, a reasonable time period to study was necessary.

We sought to document the trends over a period of time, without creating a study of a size too large to complete in a reasonable time. We also wanted to be sure not to include projects from an earlier land boom eventually choosing a ten year period, 1980 through 1989. We further limited ourselves to only those 1989 projects which had received final approval as of our town visits in the summer of 1989.

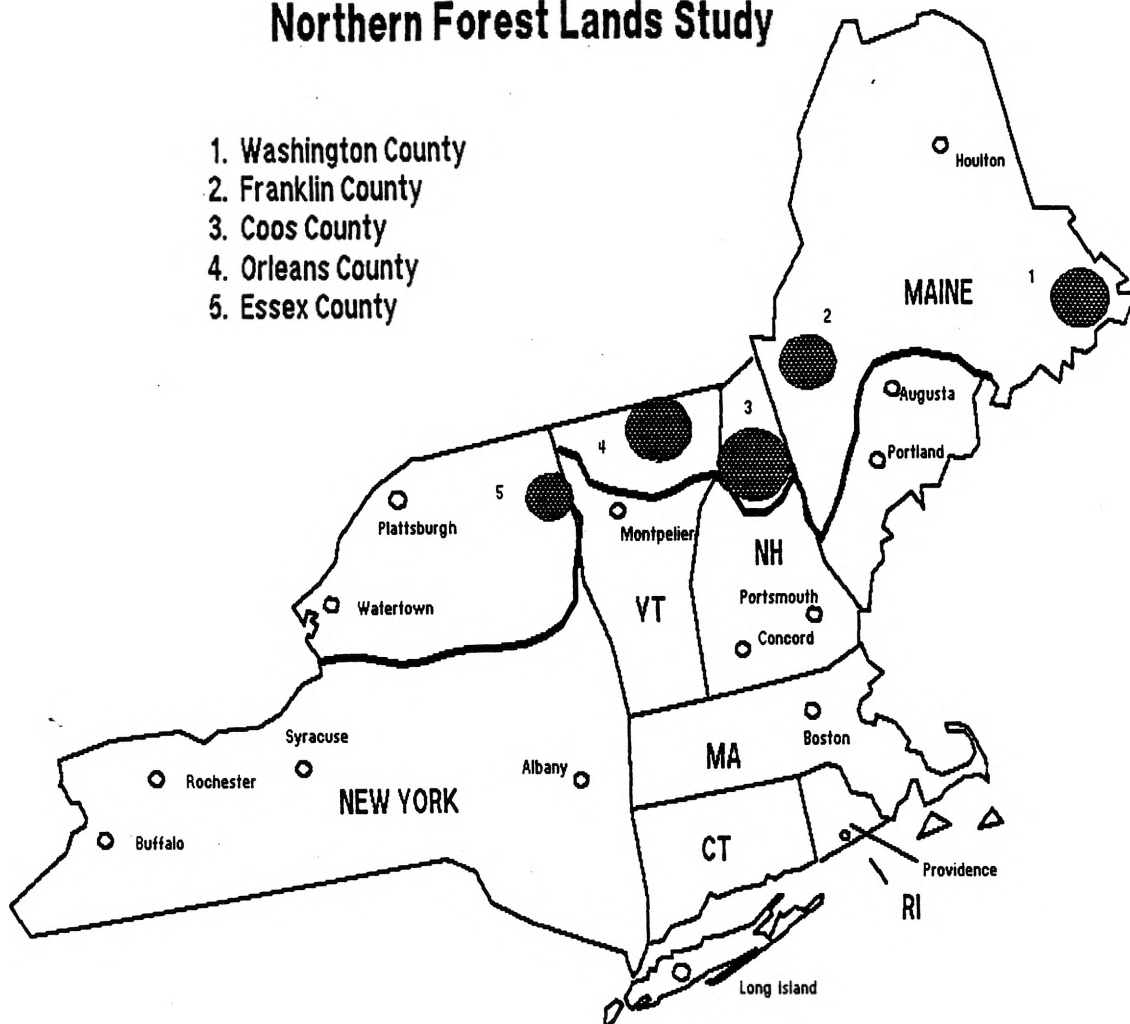
Table 2
Sample Towns: Case Counties

<u>County</u>	<u>Towns</u>
Washington, ME	Beddington Danforth Northfield
Franklin, ME	Kingfield Eustis Carrabassett Valley
Orleans, VT	Albany Barton Derby
Essex, NY	Jay Elisabethtown Minerva
Coos, NH	Pittsburgh Milan Whitefield

Regional Map

Northern Forest Lands Study

1. Washington County
2. Franklin County
3. Coos County
4. Orleans County
5. Essex County



1.3 Organization of The Study

After settling on the six case study areas, three project members were chosen who had sufficient familiarity with one or more study areas to be able to bring some background to the study, and to use research time economically.

Economic data for each of the case study counties was collected by a single researcher. This information was then made available to the individual responsible for each case study, who augmented the data with town specific information.

Recognizing the need to create uniform reports across study areas, a set of general spreadsheets was created. Due to the differences in local regulations in each of the study areas, the records kept on subdivisions were found in various places and much more complete in some towns than others. Each researcher was allowed the freedom to modify their own study design, making sure to collect the central information included in the spreadsheets.

1.4 Information Sought

To describe the projects created and their effect on the local forest, we sought the following information:

-- The number of subdivisions created in each of our study areas and specific towns over the ten year study period, and in each of the ten years individually. We concerned ourselves with developments with three or more lots as those with less were frequently located in areas more urban or subur-

ban than we sought.

-- Descriptions of the counties and towns studied in terms of acres of forest, and area restricted from subdivision through public ownership or conservation easements. The number of building permits issued and population growth in the towns during the study period was also of importance. A profile of the economic situation in towns was collected, documenting major industries and employers.

-- Number of acres subdivided in each of the towns chosen within a study area; over the study period, and in each of the years individually. This number was further defined by identifying the number of those acres that were previously commercial forestland. For our purposes, commercial forest land was defined as that which had been harvested for forest products other than the owners personal firewood needs in the ten years prior to sale.

-- The location of the project in town. This was done to determine whether the attraction for this land was waterfront, a remote wilderness setting, road frontage, or the views afforded by lots on elevations.

-- The levels of lot sales and build out in each subdivision.

-- A description of the grantor, the person who sold the lot to be subdivided. We sought to describe them in terms of their home address, type of employment, how long they owned the property, and what they did with it during their ownership.

-- A description of the subdivider including their primary residence,

whether or not they were professional land managers or developers, how active they are as subdividers in terms of both geographic distribution and number of projects they have been involved in, and the particular regulations they encountered in creating this particular project.

1.5 Information Sources

Work was begun by contacting realtors, regional planning commissions, and state planning offices, among others, in an effort to determine which areas were experiencing subdivision activity worthy of further research.

Further contacts were made with town clerks and planning boards, and tax assessors. Through these contacts we sought to define the size of each subdivision in acres and lots, whether or not it was removed from the commercial forest landbase, and where the project was located in reference to waterfront, roadfront, or remote areas.

Our primary research data set, then, was town records of property ownership and transfers. Few northern New England towns have long-standing subdivision regulations, and few are equipped to monitor development trends in any detail. In several instances, the condition and organization of records were major obstacles to complete and timely assembly of the information.

The grantors of parcels subdivided, and those who created the subdivisions were then contacted over the phone. In those cases where there was no clear grantor due to the subdivider owning the property for five or more

years, the subdivider was treated as both parties. In towns where there were a large number of subdivisions, we contacted every third grantor and subdivider. This provided us with a representative sample without requiring our locating every individual. The surveys used in our calls to subdividers and grantors appear at the end of this report.

We chose not to contact lot buyers due to time constraints and difficulty in documenting, and then locating, these individuals. While some information from these individuals would have proven useful in describing who is purchasing rural subdivision lots, it was beyond the scope of this study.

We completed working drafts of case study chapters and in each case sought reviews from several local individuals who were in a position to provide informed comment on our information and conclusions.

1.6 Grantor Spreadsheet

Grantor Name
Grantor Phone

Caller Name
Date Called

1. ID Code
2. Parcel Acres
3. Parcel Size
 1. < = 20 acres
 2. 21-39 acres
 3. 40-100 acres
 4. 101-500 acres
 5. 500+ acres

4. Grantor Address
 - L: Local, same or adjacent county
 - S: In state
 - N: New England
 - D: Distant US State
 - C: Canadian
 - O: Other
5. Grantor Business
 - D: Land investor/developer
 - R: Realtor
 - F: Farming
 - I: Industrial or large landowner
 - T: Timber harvester
 - O: Other
6. Entire Previous Ownership
 - 1. Yes
 - 2. No
7. What Prompted Sales?
 - R: Retirement
 - F: Family
 - E: Estate settlement
 - D: Divorce
 - T: Property taxes
 - A: Approach by an interested party
 - S: Non strategic to company operations
 - L: Liquidation for other investment
 - M: Disincentives to forest management
 - O: Other
8. Commercial Forestland?
 - Yes--enter parcel acres
 - No--enter zero
9. If No, Previous Use
 - A: Agricultural
 - R: Recreational/firewood
 - I: Long-term investment

10. How Long Did You Own the Property

- 1: < 1 year
- 2: 1 to 5 years
- 3: 5 to 10 years
- 4: 10+ years

11. Did You Buy to Subdivide?

- Yes
- No

12. Advertising? Not Mutually Exclusive

- L: Local word of mouth
- N: Newspaper or journal
- R: Regional magazine
- N: No need, approached by buyer
- O: Other

13. Reason for Subdivision on This Parcel

- W: Water--river, lake or pond
- S: Major recreation or ski area
- H: Housing for locals
- C: Commuter housing
- O: Other
- V: Exceptional views

1.7 Subdivider Worksheet

Subdivider Name
Subdivider Phone

Caller Name
Date Called

1. ID Code

2. Subdivider Address

- L: Local
- S: In state
- N: New England
- D: Distant US state
- C: Canadian
- O: Other

3. Subdivision Type
 - B: Bare lots
 - Y: Year-round homes
 - CT: Condos/townhouses
 - VC: Vacation homes/camps
 - C: Combination of above
 - O: Other
4. Number of Lots in Subdivision
5. Lot Size--Mode, Most Common Size
 - 1: < = 10 acres
 - 2: 11 to 39 acres
 - 3: > = 40 acres
6. Number of Lots Sold to Date
7. Lots Built on to Date
8. Acres in Subdivision
9. Acres in Open space/Conservation
10. Sale Price/Acre, Lots > = 40 Acres
 - 1: < = \$200
 - 2: \$201 to \$500
 - 3: \$501 to \$750
 - 4: \$751 to \$1,000
 - 5: \$1,000 +
11. Time for All Permits: This Project
 - 1: 1 to 3 months
 - 2: 4 to 6 months
 - 3: 7 to 12 months
 - 4: Over one year
 - 5: No permits required
12. Permitting Costs/Lot or Unit
 - 1: < \$1,000
 - 2: \$1,000 to \$2,500
 - 3: \$2,500 to \$5,000
 - 4: \$5,000 +
 - 5: No permits required

13. Subdividers Company Structure

- F: Family, private
- P: Proprietorship/partnership
- C: Land use corporation
- D: Diversified corporation
- O: Other

14. How Many Projects do you do/Year

- 1: 1 to 3
- 2: 4 to 6
- 3: 6 +
- 4: Only involved in this one

15. Geographic Range of Products

- L: Local
- S: In state
- N: New England
- D: Distant state
- C: Canada/international
- F: First and only project
- O: Other

16. Company Marketing Policy

- L: Local, word of mouth
- R: Regional
- M: Metropolitan--Boston, NY, NJ
- O: Other

17. Markup Sought on Projects

- 1: Break even to support other company division
- 2: 10% to 20%
- 3: 21% to 30%
- 4: 31% to 50%
- 5: > 50%

18. Ideal Lot Size Public is Seeking

- 1: < = 10 acres
- 2: 11 to 39 acres
- 3: > = 40 acres

NFLS: 14

19. Future Subdivision in New England

S: Steady
I: Increasing
D: Decreasing
O: Other

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Northern Forest Lands Study

August 31, 1989

CASE STUDY

Washington County, Maine

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1 INTRODUCTION

Washington County is Maine's easternmost county. It borders New Brunswick, Canada and has 931 miles of coastline (Figure 1). The land area of Washington County is 1,669,255 acres of which 1,439,000 acres (86%) are classified as Commercial Forest Land. Washington County encompasses 196,345 acres of fresh water including 25 lakes each greater than 1000 acres. Rivers draining in excess of 100 square miles are the St. Croix, Machias, East Machias, and Narraguagus. At six hours away, Boston is the closest major metropolitan area. A list of distances and times to major northeastern US and Canadian cities is provided in Table 1.

The economy of the county is based on natural resources. The largest employer is Georgia-Pacific Corp. with approximately 1000 workers in its Woodland mills which produce pulp and paper, lumber, and waferboard. Numerous wood products mills and logging contractors throughout the county employ several hundred more workers. Other major industries include fishing and blueberry production. Washington County is the nation's leading producer of wild blueberries. Lobster, clams and sardines are also important exports of the region.

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Table 1
Mileages & Estimated Travel Time to Metropolitan Centers

	<u>Distance</u> <u>(Miles)</u>	<u>Driving Time</u> <u>(Hours)</u>
Boston, MA	310	6
Hartford, CT	401	8
New York, NY	518	10
Buffalo, NY	739	15
Albany, NY	438	9
Syracuse, NY	573	11.5
Montreal, PQ	386	8
Quebec, PQ	333	7

Above mileages are estimated to Wesley, central Washington County.

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Figure 1
Locator Map



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Employment fluctuates seasonally with marine and blueberry harvests and with the operation of canneries and packing plants. Manufacturing of Christmas wreaths is a seasonal enterprise which has grown significantly in recent years. The prevalence of seasonal employment is largely responsible for Washington County consistently being ranked last among Maine's sixteen counties using various measures of income (Table 2).

Washington County's population peaked in 1900 at about 45,000 then declined fairly steadily until 1970. The number of farms and acres in farmland decreased dramatically during this period. Between 1970 and 1980 the population increased from 29,859 to 34,963, a 17% increase due to net migration. U.S. Census and Maine Department of Labor estimate reports a 1986 population slightly lower at 33,900.

Table 2 Income Table: Maine vs. Washington County		
	<u>Per Capita Income 1985</u>	<u>Median Household Effective Buying Income 1986</u>
Maine	\$9,042	\$21,695
Washington County	6,929	15,647

Washington County is comprised of 43 organized towns and 36 unorganized townships. With an average population density of 13 people per square mile, it is one of Maine's more sparsely populated counties. The population is

largely concentrated along U.S. Route 1. Calais is the county's largest city with a population of approximately 4,000. Machias, the county seat, is the next largest town with a population of about 2,500. Figure 2 highlights the population centers and major land use categories.

Research for a 1977 Regional Comprehensive Plan documented 111 subdivisions countywide during the 10 year period 1967-1976. A total of 4250 lots were created in these subdivisions for an average of 38 lots per subdivision. Over 70% (78) of the subdivisions were created in the last 5 years of the study period (1972-1976). The comprehensive plan characterizes subdivision activity as distributed among three general types:

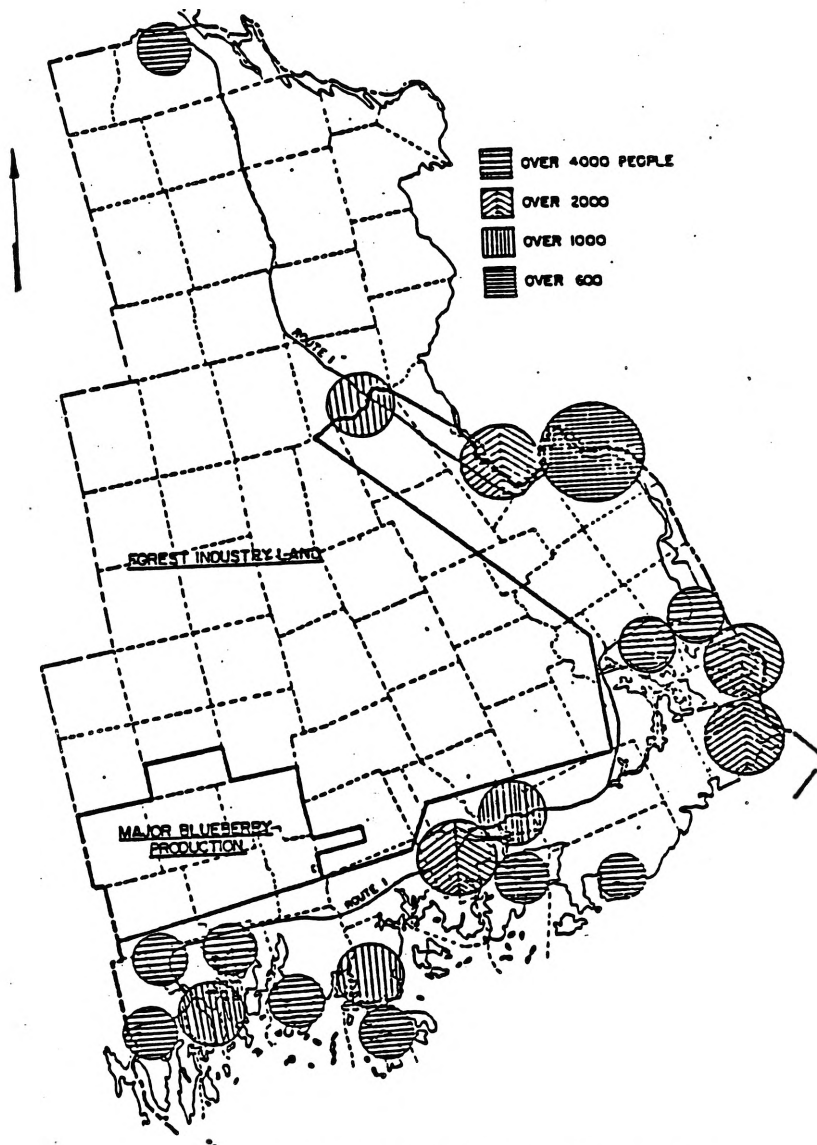
1.) "Seasonal" - Usually water-oriented, with 10 or more lots, and characterized by professional design and marketing strategy.

2.) "Residential Development" - Usually 10 lots or more, oriented towards a village center and municipal services. More or less professional design and marketing strategy.

3.) "Informal" - Small, often fewer than 5 lots, typically with frontage on a public road. Often developed one lot at a time without any prior planning.

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Figure 2
Washington County Population Centers



Source: Washington County Regional Planning Commission
Washington County Facts, 1988.

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Subdivision activity during the 1967-1976 study period appears to have accommodated both an increasing resident population and an increasing demand for seasonal property. Washington County does have a sizeable summer population. The natural beauty of its coastline and the recreational opportunities offered by its lakes and rivers are major attractions. Both population trends and characteristics of recent subdivisions suggest that activity since 1980 has been largely a response to demand for seasonal, recreational properties rather than resident housing.

The Northern Forest Lands Study excludes the coastal towns and townships of Washington County. These areas have been excluded because demand for coastal property has been particularly intense and factors affecting this market are quite different from other land markets in the northern forest region. The next sections of this report describe the study area, comparing it to Washington County in its entirety, and examine major subdivision activity within the study area from 1980 through June of 1989.

2 DESCRIPTION OF CASE STUDY AREA

From Steuben to Calais, towns and townships bordering U.S. Route 1-1A and between U.S. Route 1-1A and the Atlantic Ocean were excluded from the study area (Figure 3). Table 3 compares the study area with the entire county. This table emphasizes the rural nature of the area. The study area comprises about 72% of the county's area and contains only 26% of the county's population. Baileyville, also known as Woodland and the home of Georgia-Pacific Corp. in Maine, is the only town in the study area with a population in excess of 2000. Of the 20 organized towns, 10 have populations less than 150. Combined populations of the 34 unorganized towns is approximately 1121.

Outside of Georgia Pacific, major employers are blueberry producers and processors in Cherryfield and Wesley. Many in the study area are self-employed. Many others commute outside of the study area for work. The 23 towns and townships within the study area for which employment data was available had an average unemployment rate of 6.8 in 1987 (Maine Dept. of Labor). Several towns with workforces of 3 to 45 persons had unemployment rates of zero. Danforth's unemployment rate was the highest at 14.9%.

Table 3
Comparison of Study Area and Washington County

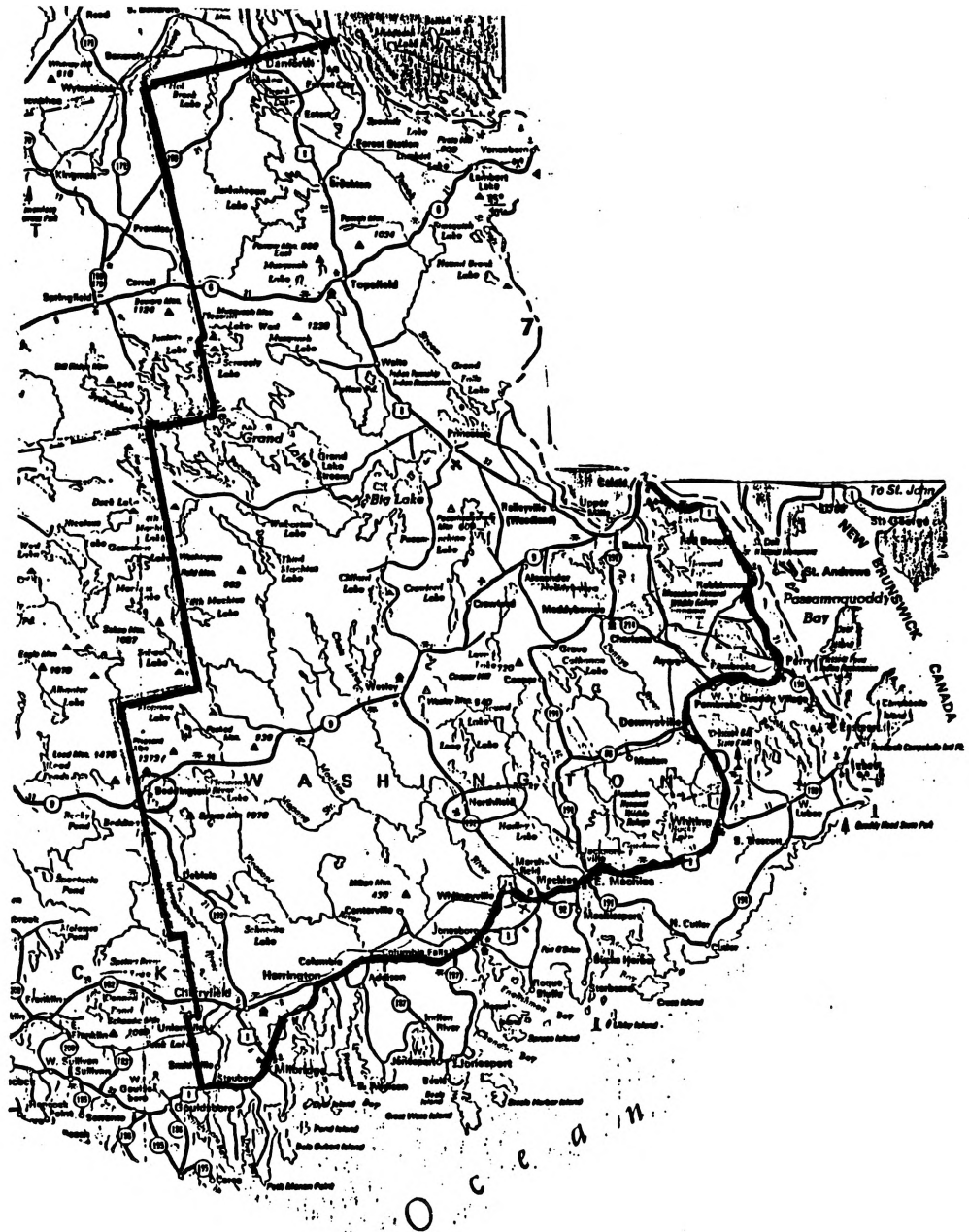
	<u>Entire County</u>	<u>Study Area</u>
Population*	34,963	8,939 (26%)
# of Organized Towns	43	20 (45%)
# of Unorg. Townships	36	34 (94%)
Area (sq. miles)	2,612	1,891 (72%)
Population Density (people/sq. mile)	13	5

* U.S. Census 1986 Estimates

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Figure 3

Map of Study Area



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3 OVERVIEW OF FINDINGS

A basic inventory of subdivisions for the study area was obtained by searching County Registry of Deeds files where subdivision plats are recorded and indexed by town. Table 4 and Figures 4, 5, and 6 presents this information. Table 5 presents the number of acres affected by the 1980-1989 subdivision from each type of ownership. Comparison of the 28 subdivisions recorded during the 1980-1989 study period with the 111 recorded during the 1967-1976 county level study is misleading. The earlier study was county wide. It is reasonable to assume that the majority of the development was concentrated on the coast, outside of our study area.

Table 4
Washington County Study Area
Subdivisions Studied Per Year, Jan. 1980 - June 1989

<u>Year</u>	<u>Number of Subdivisions</u>	<u>Number of Acres</u>	<u>Number of Lots Created</u>
1981	1	9	15
1982	1	60	10
1983	1	17	5
1984	2	33	9
1985	2	2530	61
1986	11	9459	287
1987	6	4974	101
1988	2	218	20
1989	<u>2</u>	<u>55</u>	<u>24</u>
TOTALS	28	17355	532

Table 5

Town Acres by Ownership Class

January 1980 - June 1989

	<u>ACRES</u>		
	<u>Beddington</u>	<u>Danforth</u>	<u>Northfield</u>
1 Total Acres in Town	19,400	31,806	31,118
2 Industrial Forest Ownership ¹	15,546	18,000	17,857
3 Public/Cons. Reserved	318	32	2
4 Total 2 and 3	15,864	18,032	17,859
5 Total Non-Industrial Private	3,536	13,774	13,258
6 Acres Subdivided in 1980's	3,303	211	1,924
7 Acres Subdivided as % of	17.0%	.66%	6.2%
Town Total			
8 Acres Subdivided as % of	93.4%	1.5%	14.5%
Non-Industrial Private			

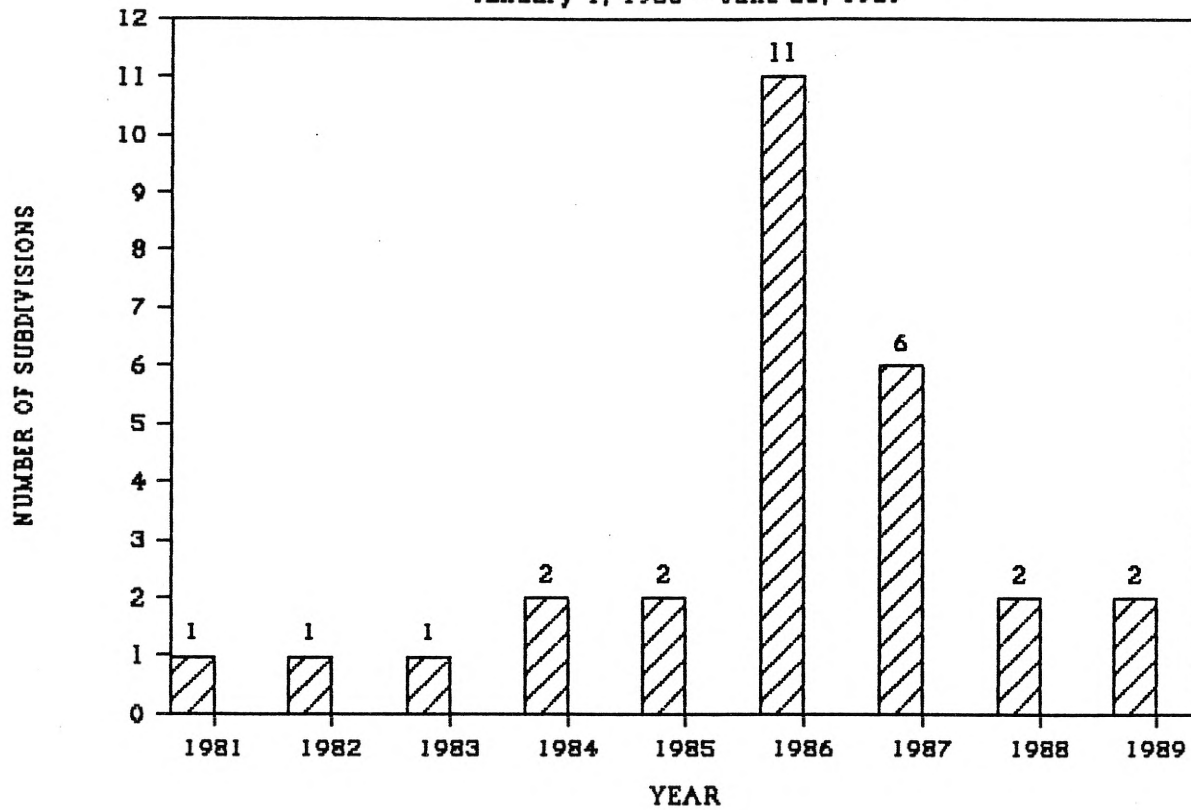
¹ Danforth includes 6,289 acres owned by Champion and 11,711 acres owned by Baskegegan. Danforth has 23,625 acres under tree growth tax.

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Figure 4

SUBDIVISIONS BY YEAR

January 1, 1980 - June 30, 1989



August 31, 1989

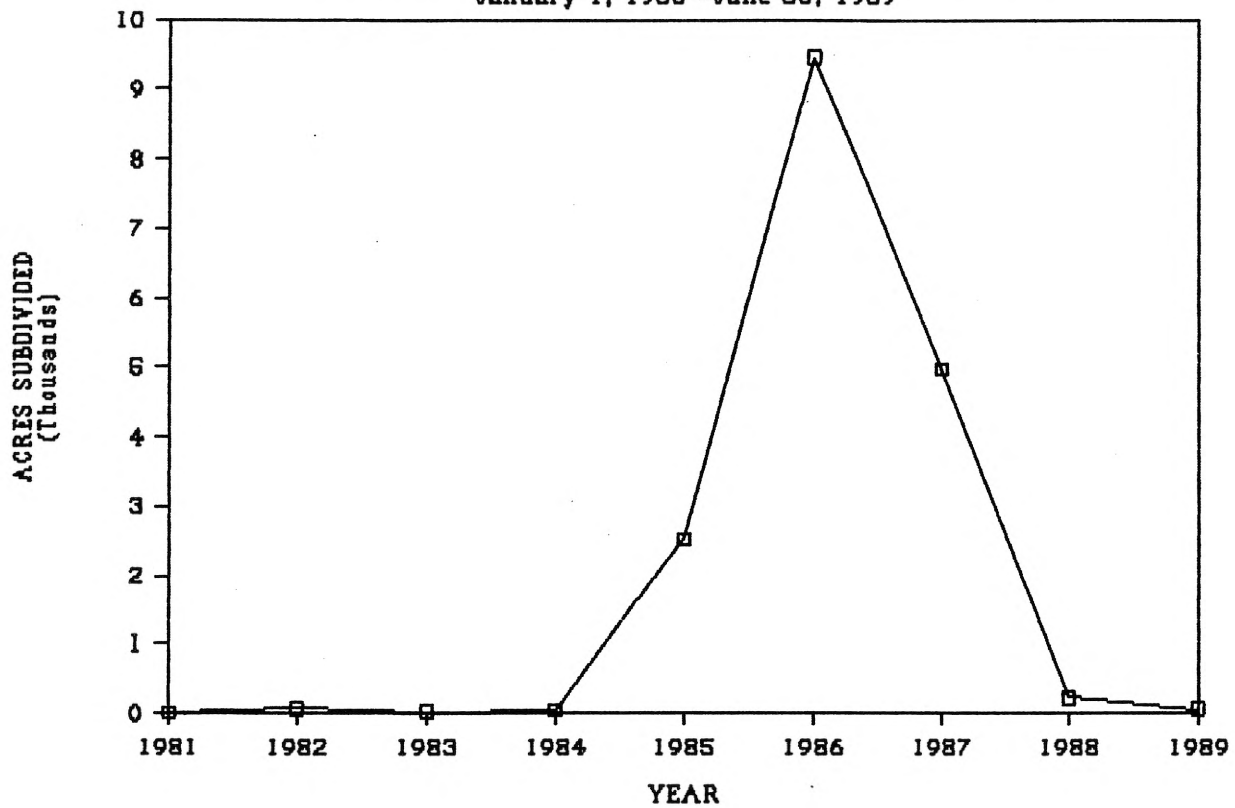
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Figure 5

ACRES SUBDIVIDED BY YEAR

January 1, 1980 - June 30, 1989



August 31, 1989

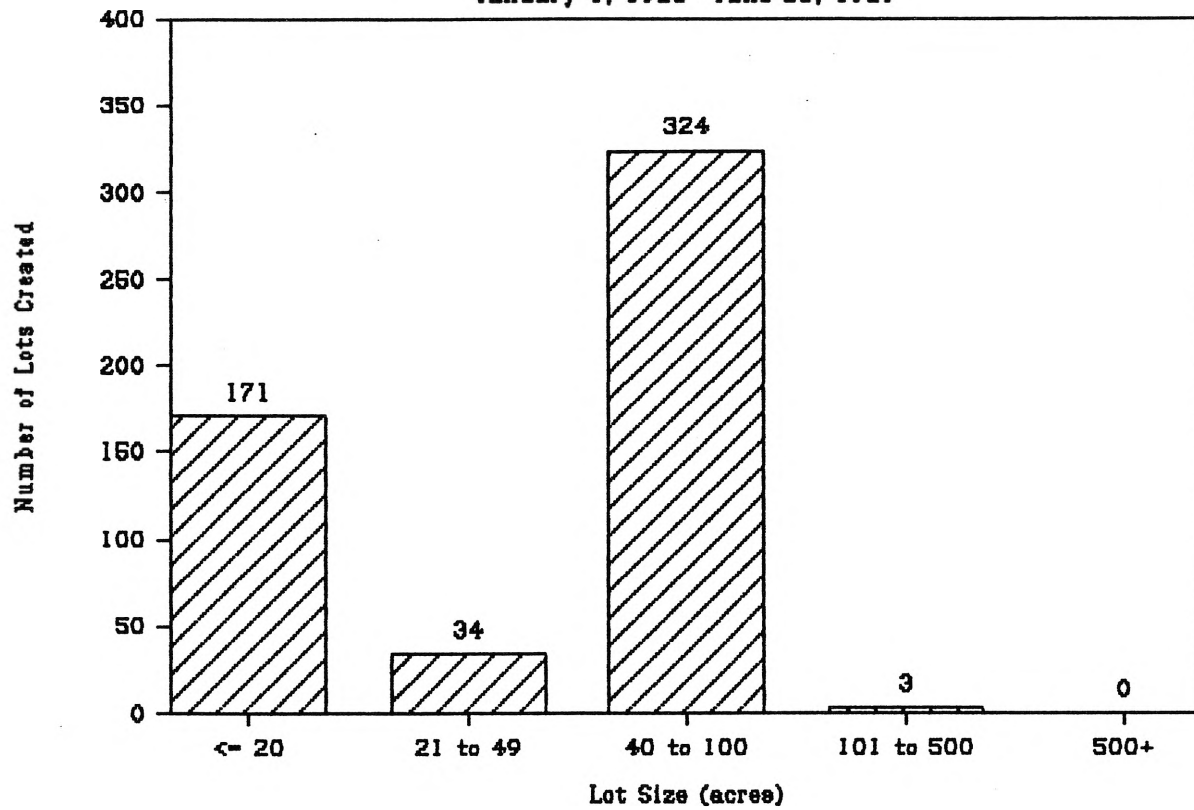
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Figure 6

LOTS CREATED BY LOT SIZE

January 1, 1980 - June 30, 1989



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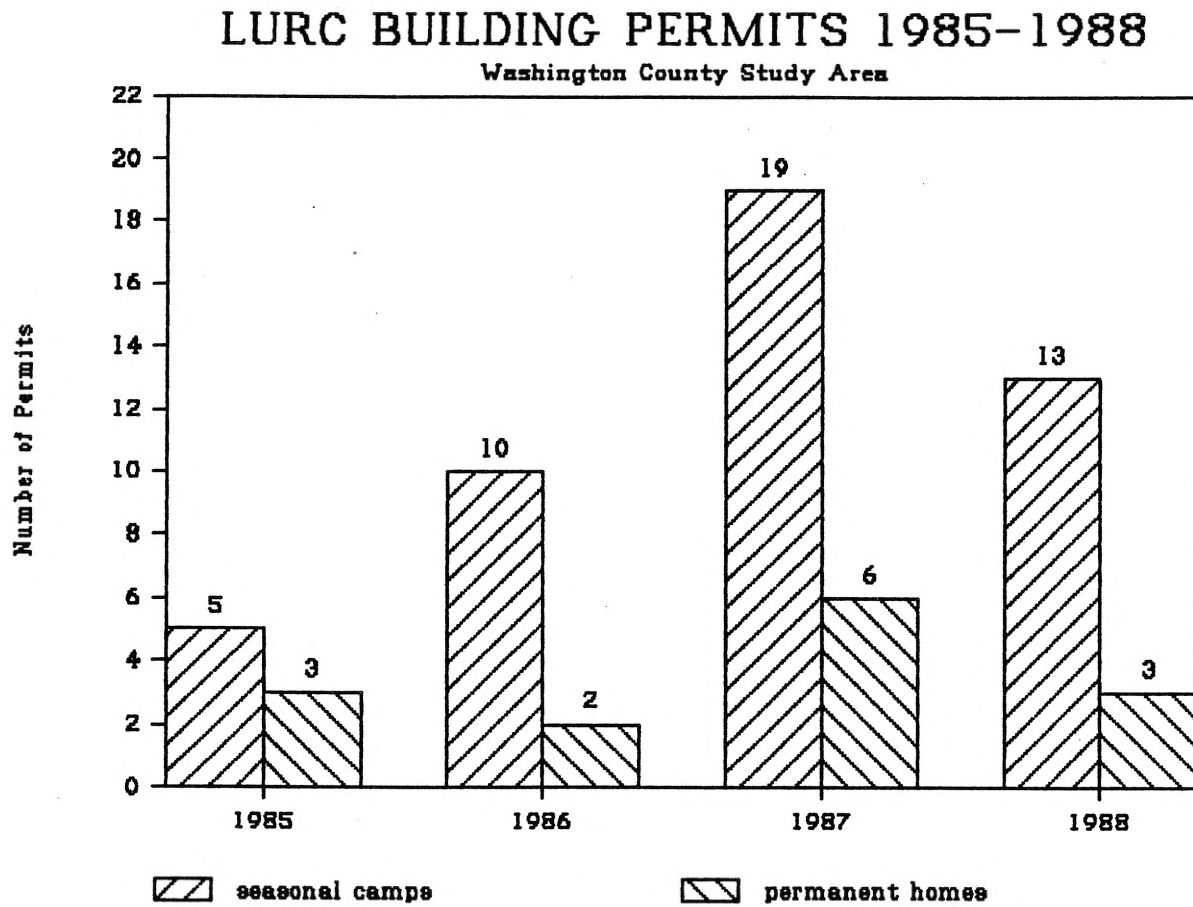
Examination of building permits issued by the Land Use Regulation Commission for the 36 townships under their jurisdiction in Washington County offers a comparison of intensity of development between the coastal and inland areas (Appendix 1). In the years 1985-1988, the years for which computer files are available, a total of 141 building permits were issued. Figure 7 breaks down the numbers by year for the 34 inland townships vs. the 2 coastal townships, 42% of the building permits were issued to the 2 coastal townships of Trescott and Edmunds. For the Northern Forest Lands Study Area, i.e. the inland townships, the majority of building permits issued were for seasonal homes (Figure 8, Appendix 2).

A search of LURC files for subdivisions permits issued between 1980 and June of 1989 yielded only 3 records for the study area with a fourth application pending. An additional three subdivisions within LURC jurisdiction were exempt from LURC review due to the fact that lots created were 40 acres or larger. These 3 are, however, included in our inventory.

The bullet summary below highlights findings from our inventory and interviews with subdividers, and realtors.

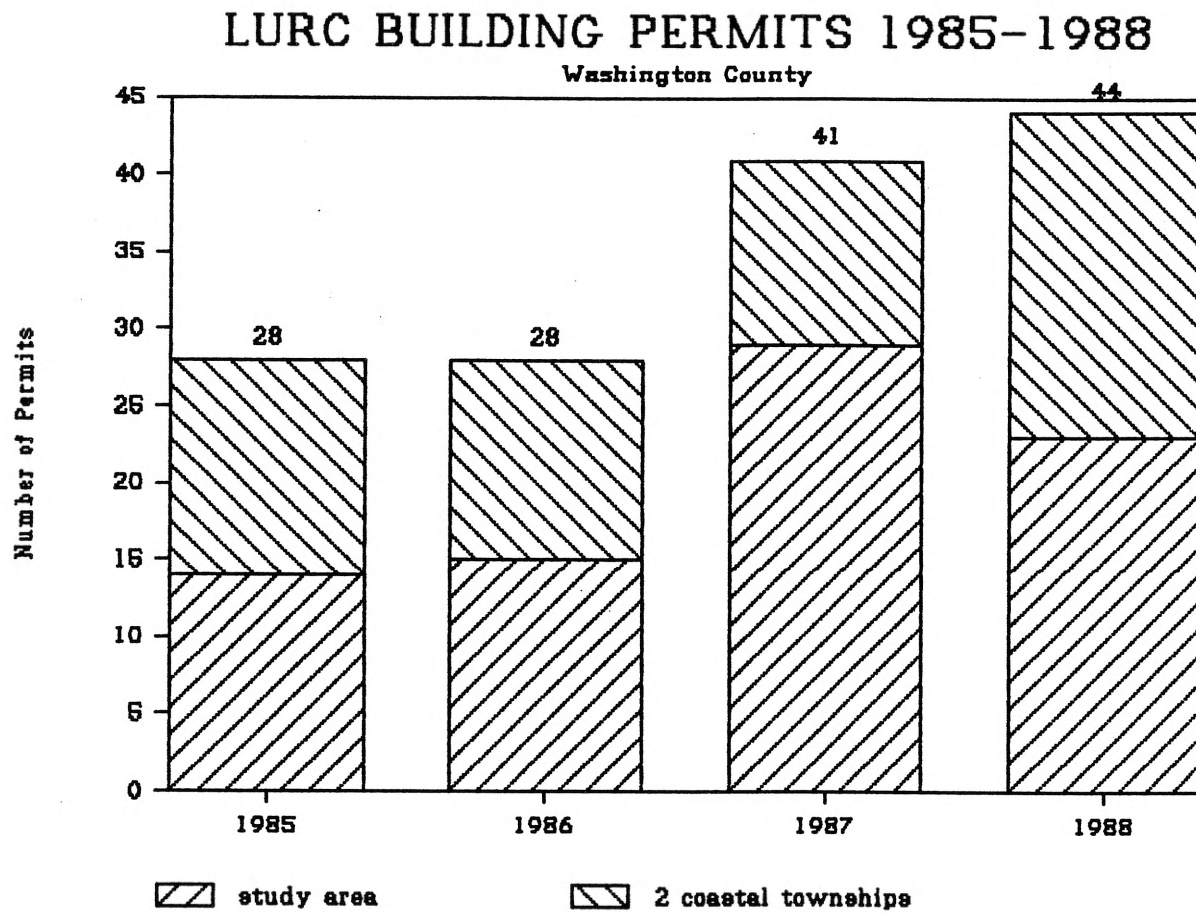
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Figure 7



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Figure 8



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4 SUMMARY OF FINDINGS

1986 was a year of unprecedented subdivision activity in the study area. Subdivision activity has been largely concentrated adjacent to rivers and lakes. Of the 28 subdivisions examined in the 10 year period, only 4 contain no frontage on a lake or major river.

In 1986 and 1987 many lots of 40 acres and larger were created. Most were marketed with shorefrontage or deeded access to a common shorefront lot.

-- 10 of the 28 subdivisions examined were developed by land use corporations with offices in other states as well as Maine.

-- Lots of slightly over 40 acres in size are common in those projects created by land development companies, as are spaghetti lots providing waterfront acreage. Figures 9, 10 and 11 provide the layouts of three projects in the study area which demonstrate these practices.

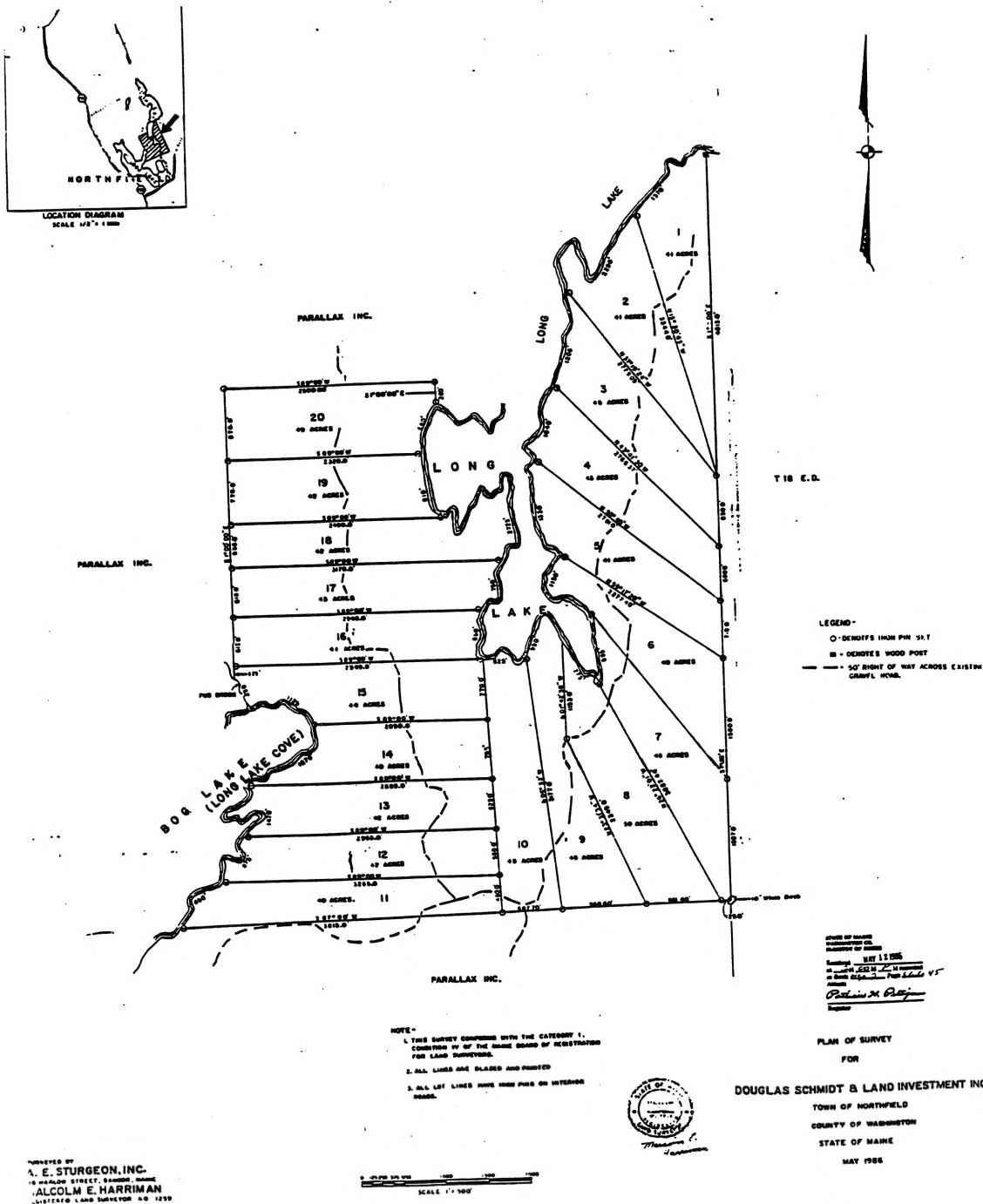
-- Few lots created in the 1980-88 subdivisions and actively marketed remain unsold.

-- Only a small percentage of the 324 lots in excess of 40 acres have been built on.

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Figure 9

Subdivision Plat - Northfield

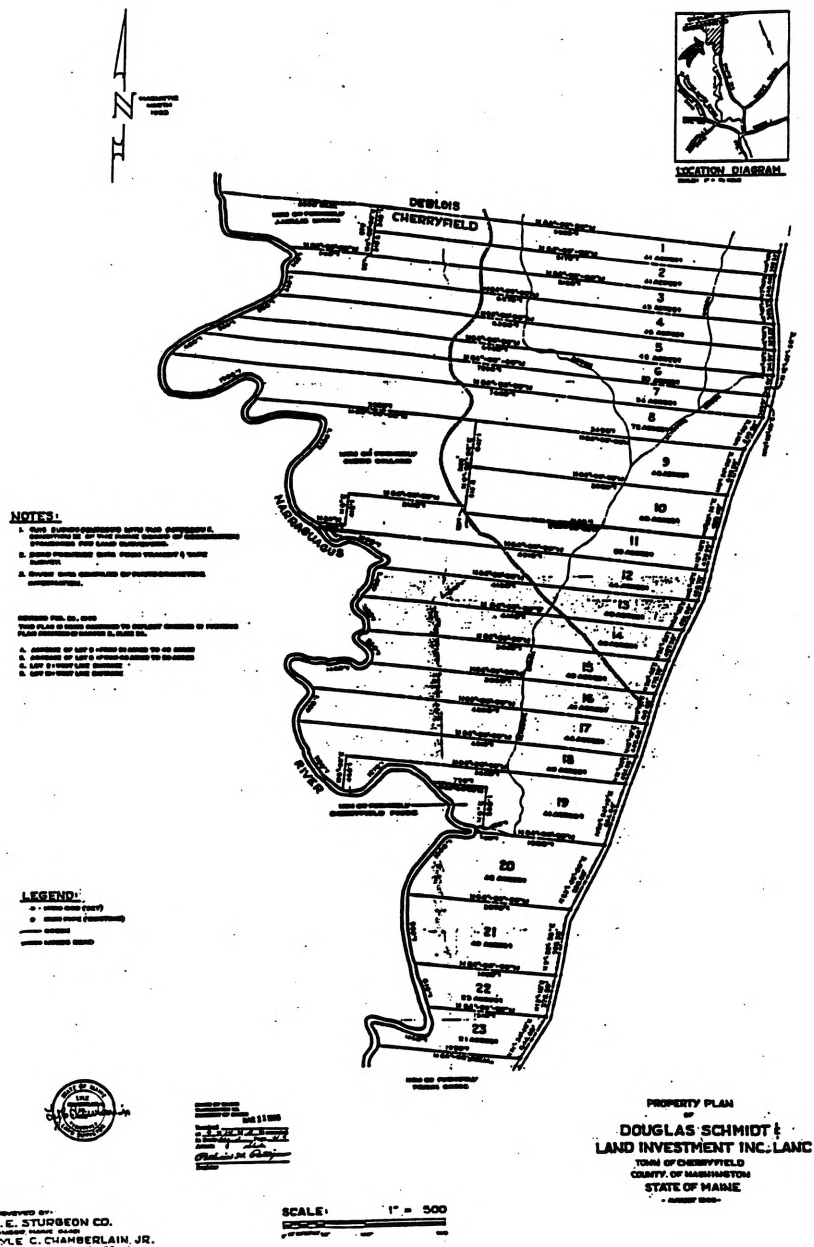


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Figure 11
Subdivision Plat - Cherryfield



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-- Selling prices for lots 40 acres and larger ranged from \$325 to over \$600 per acre.

-- Prices for lots from 5 to 40 acres in size with water frontage ranged from \$2000 to \$9000 per acre.

-- Lots created in the study period were sold as bare lots with the exception of a few lots which were leased prior to subdivision.

Within the study area we chose the towns of Beddington, Danforth and Northfield for a detailed look at all 1980-89 subdivision activity and local land use planning and review. These towns are geographically distributed within the study area and subdivision activity in these towns appears to be representative of the study area.

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5 BEDDINGTON

Beddington is located 44 miles east of Bangor where Route 9 crosses the Narraguagus River. Route 9, 'The Airline Road', is the major route between Bangor and Calais (Figure 12).

Beddington encompasses an area of 36 square miles, much of this area is in fresh water lakes. Approximately 1300 acres are in blueberry production. Over half of the town's land area is owned by Champion International Corp. Beddington's population is around 36 (U.S. Census 1986 estimate). It has a town meeting form of government. The Town Selectmen serve as the Planning Board. Subdivisions are reviewed according to state guidelines.

During the study period (1980-1989) there have been 5 subdivisions in Beddington. Table 6 gives the details on each. A total of 3303 acres have been subdivided. Division of land into lots 40 acres and larger were not reviewed locally. This was in accord with state subdivision review guidelines.

wash: 25

Table 6
Town of Beddington Subdivision Activity
Jan. 1980 - June 1989

<u>SD #</u>	<u>Year</u>	<u>Total Acres</u>	<u># of Lots</u>	<u>Lot Size (acres)</u>	<u># Sold</u>	<u># Built On</u>
1	1982	60	10	5-8	10	4
2	1986	254	12	10-24	10	
3	1986	2661	64	40+	64	2
4	1986	285	13	20-25	13	4
5	1988	<u>43</u>	<u>6</u>	1.9-2.7	<u>0</u>	0
TOTALS		3303	105		97	10

Comments: Of the 105 lots created, all but three have lake frontage or deeded lake access.

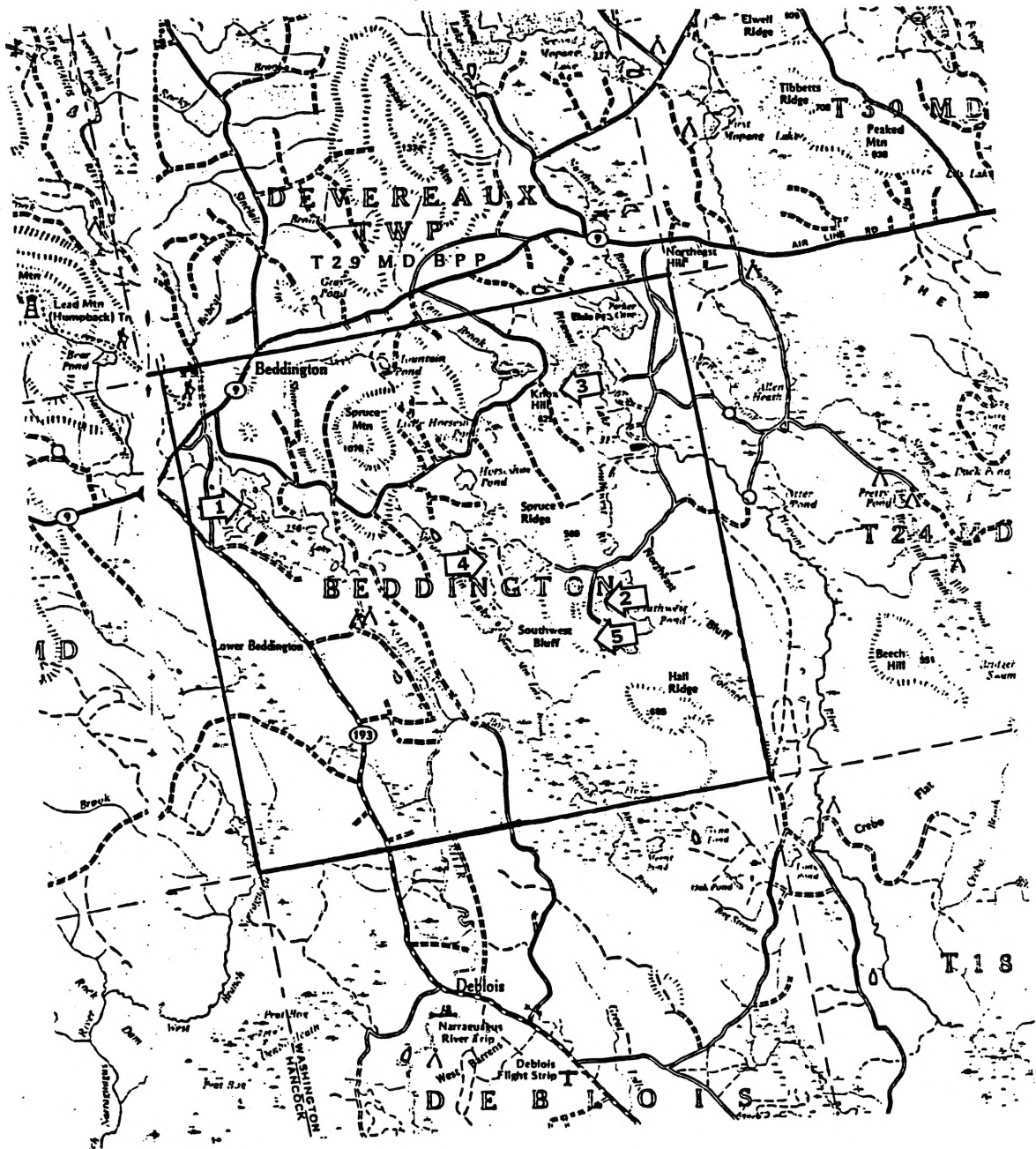
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Figure 12

Map of Beddington



⑤ approximate location of subdivisions

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In 1982 a resident of southern Maine created 10 lots by subdividing 60 acres. This 60 acres was part of a 350 acre parcel straddling Washington and Hancock Counties. Eight of the lots have frontage on Beddington Lake.

The 3 subdivisions listed in 1986 were undertaken by the same land use corporation. All 89 lots created have shorefrontage or deeded access through a common lot. Roads were built or improved to access all lots. Of the 89 lots, all but 2 have been sold. All were sold as bare lots. Information available indicates that less than 10 have been built on to date. At least ten lots are currently on the market for resale.

The most recent subdivision divided a 43 acre lot from 1986 subdivision (SD #3) into 6 lots. Five of these lots have frontage on Southwest Pond. One is being retained by the owner and 4 are currently on the market. The back lot of 31.5 acres may be subdivided and sold in the future. This project is owned by a Massachusetts investor.

Hunting, fishing, and other water recreation opportunities have attracted subdivision activity to Beddington. The primary grantor of land subdivided in 1986 had held the parcel for over 20 years as an investment. The land had been managed by a timber management company and had been harvested 10 years prior to sale.

In addition to lots created for sale by subdivision, a number of lots have been created for lease. Champion International has an active leasing program in Beddington, similar to lease programs operated throughout northern

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and eastern Maine by other large industrial landowners. Between 125 and 150 lots are leased in Beddington. The majority of these lots are lakefront and average approximately one acre in size. Some larger lots are leased primarily for hunting camps. These typically do not have frontage on a major lake or river. Leases are usually renewed for 1 to 5 year periods.

The tradition of leasing by large landowners began about 75 years ago. The majority of leasees are Maine residents. The demand for leases in the Beddington area is largely from Bangor and greater Portland area residents.

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6 DANFORTH

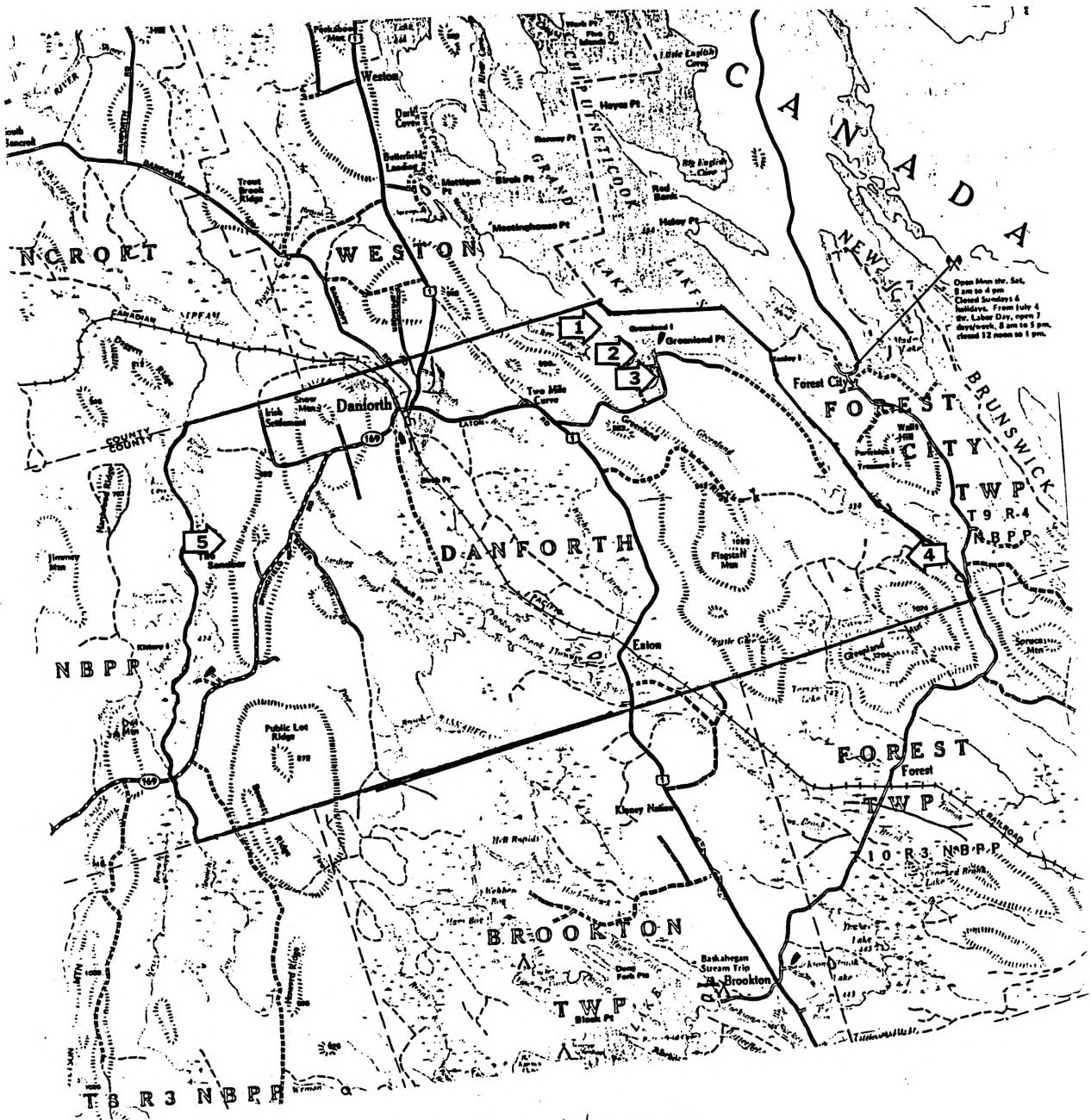
Danforth is located in northern Washington County on U.S. Route 1. It is 34 miles south of Houlton, the county seat of Aroostook County. Danforth is 90 miles from Machias and 110 from Bangor. Danforth and the other towns and townships north of Route 6 are more closely tied socially and economically with Aroostook and Penobscot Counties than with Washington County.

Danforth encompasses an area of 61 square miles. It borders on East Grand Lake, recognized nationally for its landlocked salmon fishery. The Hot Brook Lakes form the town's western boundary (Figure 13). Major landowners are Champion International Corp. and Baskehegan Land Co. In 1988, C.F. Eaton sold 2759 acres, its entire ownership in Danforth, to Five Islands Land Corp.

Danforth's population is around 826, a 4% increase since 1970. Danforth is the center for social services in northern Washington County. Employment is primarily in social services, logging operations, and small wood products mills. It has a town meeting form of government and a Board of Selectmen. A Planning Board was established in 1973. Since 1980 the Planning Board has been active on a regular basis. A comprehensive plan was adopted by the town in 1985. Subdivisions are reviewed in accordance with state statutes.

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Figure 13
Map of Danforth



⑤ approximate location of subdivision

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During the study period there have been five subdivisions in Danforth. Table 7 gives the details on each. A total of 211 acres have been subdivided, creating 61 lots. All lots created are under 20 acres. Four of the subdivisions, 44 lots, have frontage on East Grand Lake. The most recent subdivision is on Hot Brook Lake. Of the 17 lots created in this subdivision, 10 have shorefront and 6 share frontage through the common lot.

All five subdivisions were reviewed and approved by the Danforth Planning Board. The subdivider in each case was a Maine resident. In one instance the original subdivider sold 8 of the 10 lots created to a single buyer for subsequent resale. Subdivision #3 was permitted in 1987 but the owners have not yet decided to market the lots created.

Although the town itself has grown in recent years, growth has been on existing lots. All lots created by recent subdivisions can be characterized as recreational properties with water resources the primary attraction. One local planning board member states that "the maximum desirable development" has now taken place on the local lakes.

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Table 7
Town of Danforth Subdivision Activity
Jan. 1980 - June 1989

<u>SD #</u>	<u>Year</u>	<u>Total Acres</u>	<u># of Lots</u>	<u>Lot Size</u> <u>(acres)</u>	<u># Sold</u>	<u># Built</u>
1	1981	9	15	.5-.7	15	n/a
2	1987	5	10	.2-.7	10	n/a
3	1987	3	5	.5	0	0
4	1988	175	14	11-18	0	0
5	1989	<u>19</u>	<u>17</u>	.6-1.3	<u>0</u>	<u>0</u>
TOTALS		211	61		25	0

Comments: 54 of the 61 lots created have lake frontage. Remaining 7 have deeded access through a common shorefront lot. Lots in SD #3 have not yet been put on the market.

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7 NORTHFIELD

Northfield is located approximately 10 miles north of Machias on Route 192. It is 78 miles to Bangor via Route 192 and Route 9.

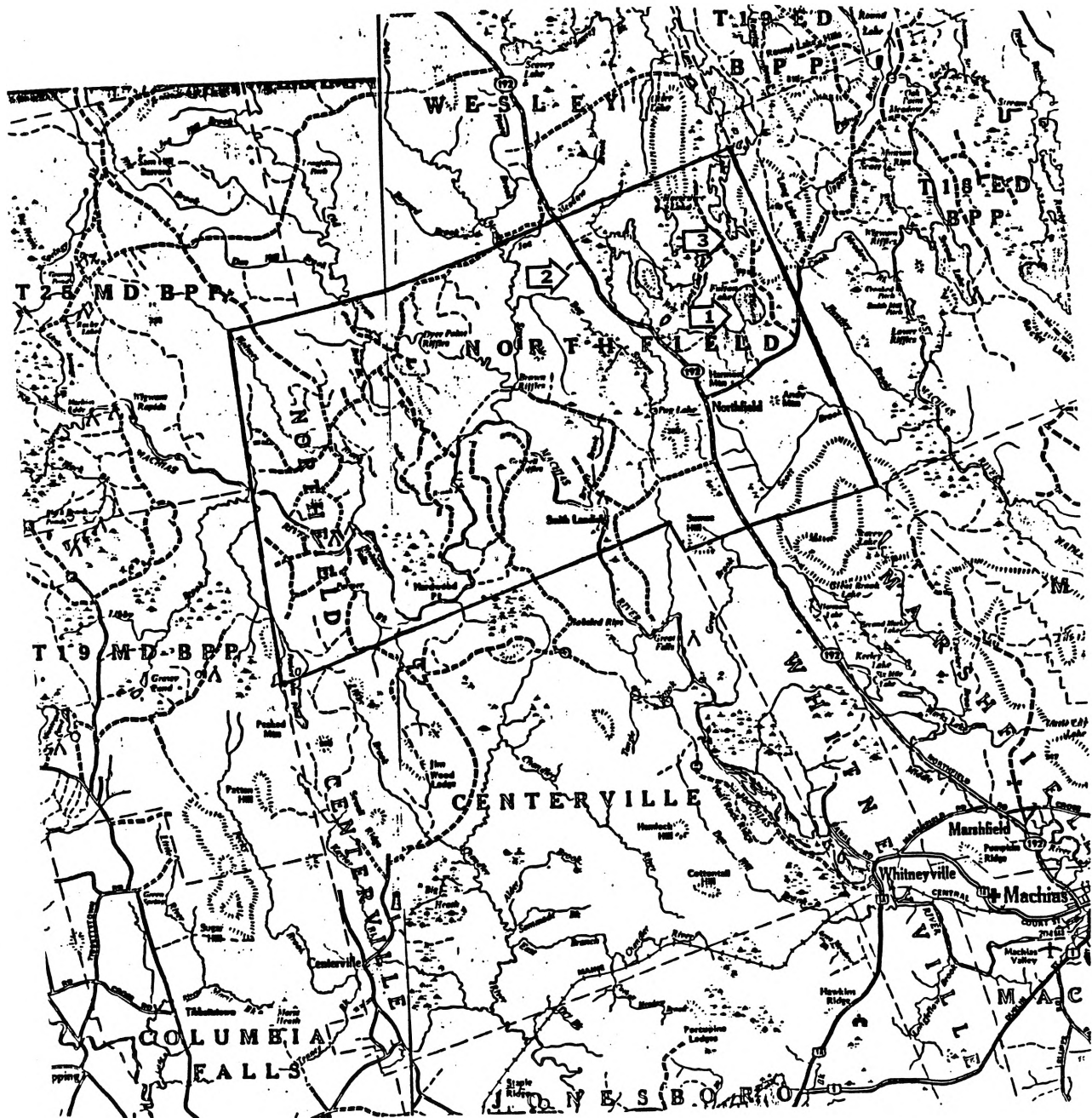
Northfield has an area of approximately 49 square miles. It encompasses all of Bog, Fulton and Horseshoe Lakes and the southern portion of Long Lake (Figure 14). Champion International Corp. is a major landowner in Northfield. Georgia Pacific sold 2,257 acres in the northeastern portion in 1986. They retained plantations in Northfield.

Northfield's population is around 82 (U.S. Census, 1986). This represents a 54% increase from 1970 due to net migration. Northfield experienced a boom in the mid-70's when many people returned or migrated to eastern Maine seeking a 'back to the earth' lifestyle. Proximity to Machias offers jobs and services.

Northfield has a town meeting form of government. It has a Board of Selectmen and an active Planning Board. In 1987 the Planning Board prepared Land Use Ordinances which were ratified at Town Meeting June 27, 1987. The ordinances have been revised, effective June 1988. Northfield has a subdivision ordinance, a large lot review ordinance and a forest practices ordinance.

Figure 14

Map of Northfield



② approximate location of subdivision

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The Large Lot Review Ordinance requires review and approval by the Planning Board for division of any tract into 3 or more parcels 40 acres and larger (Appendix 3). Deblois, Cherryfield and Jonesboro have similar large lot review ordinances. The Forest Practices Ordinance requires Planning Board notification prior to any timber harvesting operation encompassing more than 2 acres (Appendix 4).

Table 8 details subdivision activity in Northfield from 1980 until 1989. Northfield's first subdivision of the 80's was in 1984. This was a parcel of 6.3 acres on Bog Lake subdivided by its Machias owner into 4 lots. Three were sold to friends and one was retained by the owner. All were sold as bare lots for vacation homes.

Table 8
Town of Northfield Subdivision Activity
Jan. 1980 - June 1989

<u>SD #</u>	<u>Year</u>	<u>Total Acres</u>	<u># of Lots</u>	<u>Lot Size</u> <u>(acres)</u>	<u># Sold</u>	<u># Built On</u>
1	1984	6	4	.5-4.5	3	4
2	1986	797	16	40-77	16	0
3	1986	<u>1121</u>	<u>26</u>	40	<u>25</u>	<u>5</u>
TOTALS		1924	46		36	8

Comments: All lots in SD #1 and SD #3 have lake frontage. 9 lots in SD #2 have frontage on Route 192. All by two have stream frontage.

In 1986, a New England land development corporation subdivided a tract of land west of Route 192 into 27 lots, 40 to 77 acres in size. Sixteen lots totalling 797 acres are in Northfield. The remaining lots are in Wesley. Most of the lots have frontage on Route 192 and frontage on either New Stream or Bog Stream. The Northfield Planning Board attempted to review this project under it's subdivision ordinance. The right to review was eventually denied by the Maine Supreme Court. Hence, the large lot review ordinance was passed in 1987.

These lots are being marketed primarily for vacation homes and recreation. About half have been sold to date. None have been built on.

A Bangor-based land investment company was also active in Northfield in 1986. This company subdivided an 1121 acre parcel into 26 lots. Lots range from 40 to 51 acres. Five have frontage on Long Lake Cove of Bog Lake. The rest have frontage on Long Lake. As of May 1989, 24 had been sold with the remaining 2 under contract. Several lots have been resold since original sales in 1986. Original sales were as bare lots. Prices averaged \$575 per acre for these lots. This project faced delays in permitting similar to the previous project while the town's right to review was determined.

Northfield's attraction for development of seasonal, recreational lots is similar to the rest of the Washington County study area. Hunting, fishing,

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and other remote recreation opportunities are abundant. In addition, it is within 15 miles of the coast and near health, educational and other services concentrated in Machias.

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8 SUMMARY AND DISCUSSION

Development of recreational properties has dominated subdivision activity since 1980 in the Washington County study area. Although most lots created have shorefrontage on either a lake or river, in 1986 many lots, 40 acres and larger, were marketed for remote recreation. These lots lacked shorefrontage, frontage on a public road, or utilities. Privacy and affordability attracted buyers to these lots.

Industrial owners of forestland have not been active in the subdivision and sale of land. Only two parcels were sold and subsequently subdivided during the study period. Land trades with the State of Maine to consolidate public land ownerships dominated transactions in the early 1980's. Other transactions by industrial owners of forest land have been largely limited to sales of small parcels to adjacent owners for personal use.

Major changes in ownership of forest land are highlighted below:

-- C.F. Eaton Company sold 10,357 acres in northern Washington County in 1988.

-- Downeast Timberlands' holdings of 63,0000 acres in Washington County are currently on the market.

-- C & D Co., a division of Jaspar Wyman and Son, sold 9,543 acres. Wyman is a producer of blueberries. Land sold was forested, unsuitable for blueberry production.

-- Old Winterport Company, a Swiss company, sold all of its holdings in Maine in the mid-1980's including 1500 acres in Washington County which have subsequently been subdivided.

A sample of grantors of land subdivided during the study period revealed that several parcels had been held primarily as an investment by either individuals or realty trusts. Grantors had held the land for from 5 to over 50 years. About 75% of the land had been harvested for timber in the last 10 years. Most used local realtors to sell their property. The economic climate made the mid-80's an opportune time to sell for many.

Subdividing riverfront and lakefront camp lots for lease by major land-owners may be having as great an impact on public access as the subdivision and sale of lots. Demand for leases is primarily from Maine residents. Leasing programs have a long tradition in Maine. Company policies towards leasing may change with an increasing demand for shorefront. It will be interesting to see if leases proliferate or if lots formerly leased will be sold.

Subdividers and realtors were almost unanimous in their appraisal of the future of subdivision activity. They predict a slow down for the next few years after the boom of the mid-80's. They, however, except shorefrontage from this slowdown. Demand is still very strong in this market. When asked what buyers were demanding in terms of lot size, many said "whatever the regulations will allow". Many said 1 acre or larger for shorefrontage was

desirable.

Comments that shorefrontage was no longer affordable to most Maine residents were heard along with comments that larger backlots were also being priced out of reach by increased costs associated with permitting and regulation. Some predict subdivision in the future will be pursued only by the large land use development corporations. Individual property owners will be dissuaded by an increasingly complex and cost prohibitive permitting process.

Washington County has no interstate highway and, by people south of Kittery would not be considered weekend commuting distance. This, no doubt, has limited owner-user demand in the past and kept prices lower than other lakeregions. A surge of investment and/or speculative buying may have prompted the flurry of activity in 1986. This flurry of activity has alerted towns in Washington County of the need for planning. Although property rights are well respected, a strong sense of the need to protect environmental quality and town integrity is evident.

With forecasts for a stable resident population, the area is buffered from intense recreational land development by: 1) distance to metropolitan areas; and 2) proximity to forest based industry. The lakes and rivers will most likely continue to see their shores subdivided. The large acreages of commercial forest land will most likely continue under forest management.

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9 LIST OF REVIEWERS

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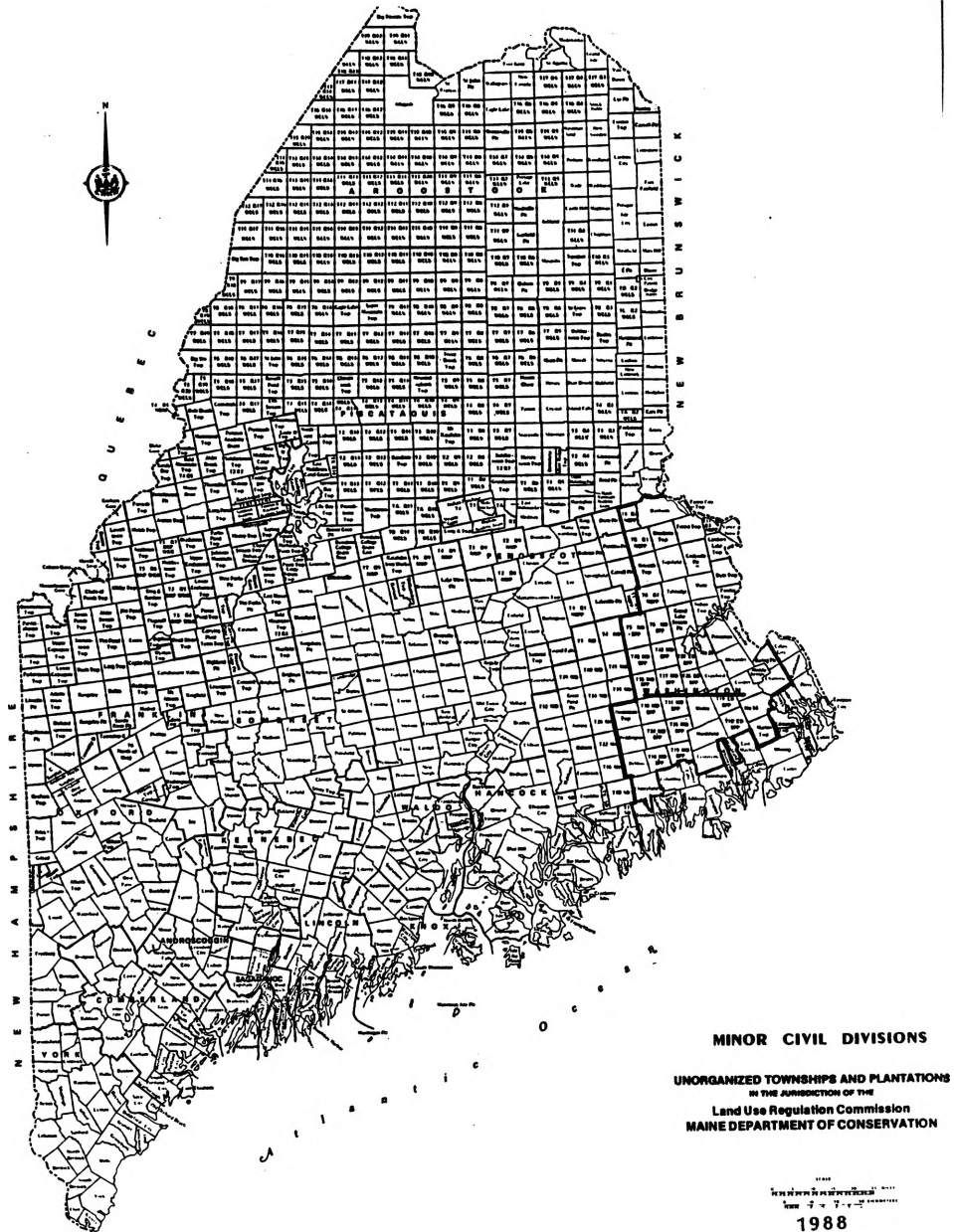
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10 APPENDIX

10.1 APPENDIX 1



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10.2 APPENDIX 2

WASHINGTON COUNTY STUDY AREA

LURC BUILDING PERMITS* 1985-1988

YEAR	Seasonal Camps	Permanent Homes	All other Bldg Permits**	TOTAL
1985	5	3	6	14
1986	10	2	3	15
1987	19	6	4	29
1988	13	3	7	23
TOTALS	47	14	20	81

* All building permits issued in the 34 unorganized townships located in the study area.

** Includes permits for garages, additions, rebuilding.

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NORTHERN FOREST LANDS STUDY

August 31, 1989

CASE STUDY

Franklin County, Maine

Prepared By

The Irland Group

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1 INTRODUCTION

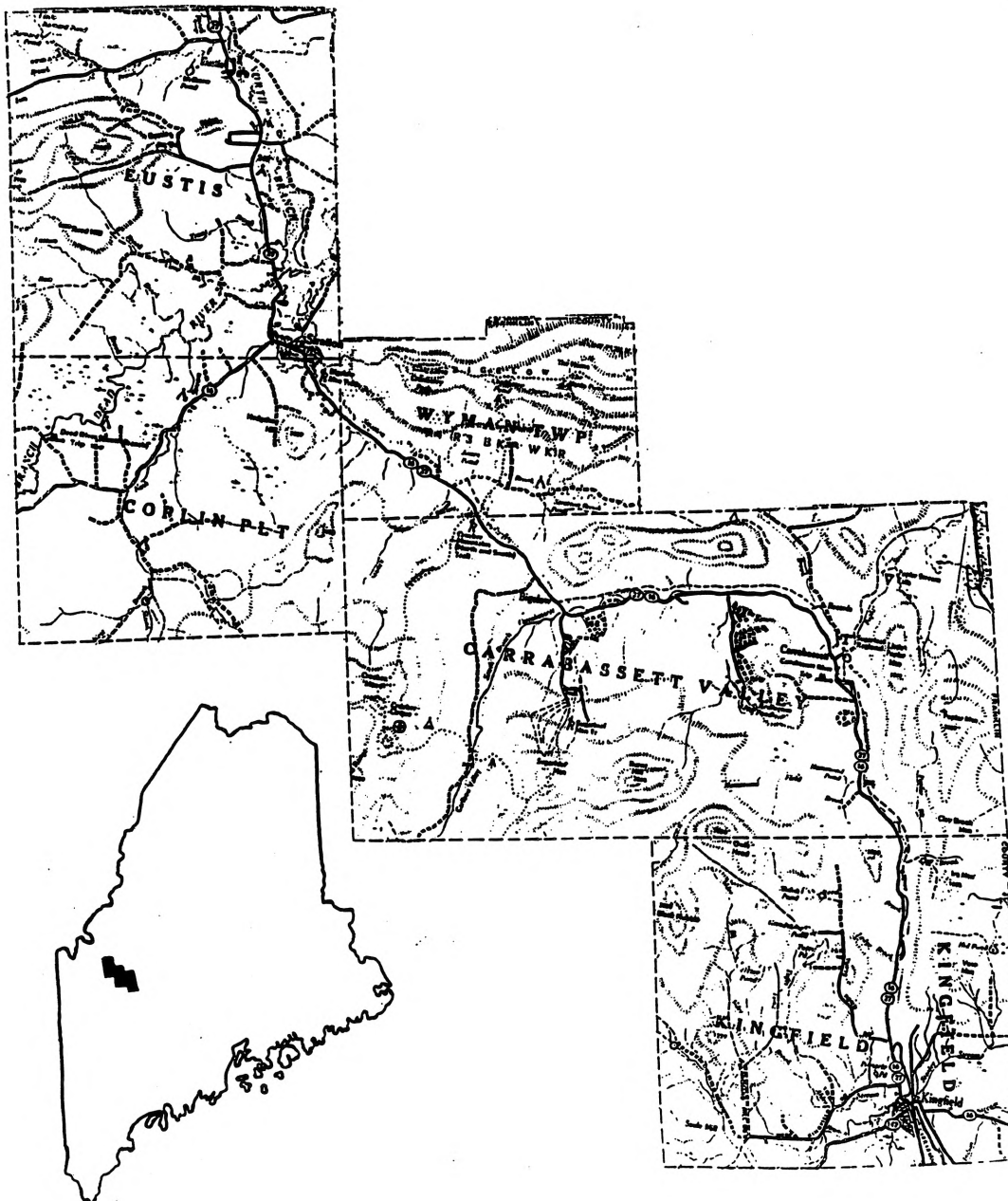
In choosing case study areas, we felt it was important to include an area recognized as a downhill ski region. For this study area we chose the towns of Kingfield, Carrabassett Valley, and Eustis in Franklin County, Maine. The attractions to the region for recreation and business go far beyond skiing alone. The Appalachian Trail, fishing and rafting interests on the Carrabassett River, the popularity of snowmobiling and hunting, and a well respected golf course at the Sugarloaf complex, all add to the recreational options offered in this area. Economically, the area is heavily forested with several major forest products companies and the Penobscot Indian Nation owning substantial timber acreages. Wood using plants in two of the three towns rely on the local forest for raw material.

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Figure 1
Study Area and Locator Map



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2 FINDINGS ACROSS THE STUDY AREA

2.1 NO SUBDIVISION ACTIVITY 1980-1982

There is an obvious absence of subdivisions created during the years 1980-1982. This period followed the creation of several subdivisions, in Carrabassett Valley especially, which had a large number of lots, too small by today's regulatory standards, which maintained unsold inventory into the early 1980's.

A large number of subdivisions were created in 1985, accounted for mostly by growth at Sugarloaf USA (Figure 2).

For 1989, we included only those projects which have received approval as of June, but felt it was important to include these partial results to provide an idea of the current trends. So far 2 subdivisions encompassing 23 acres and 13 lots have been created.

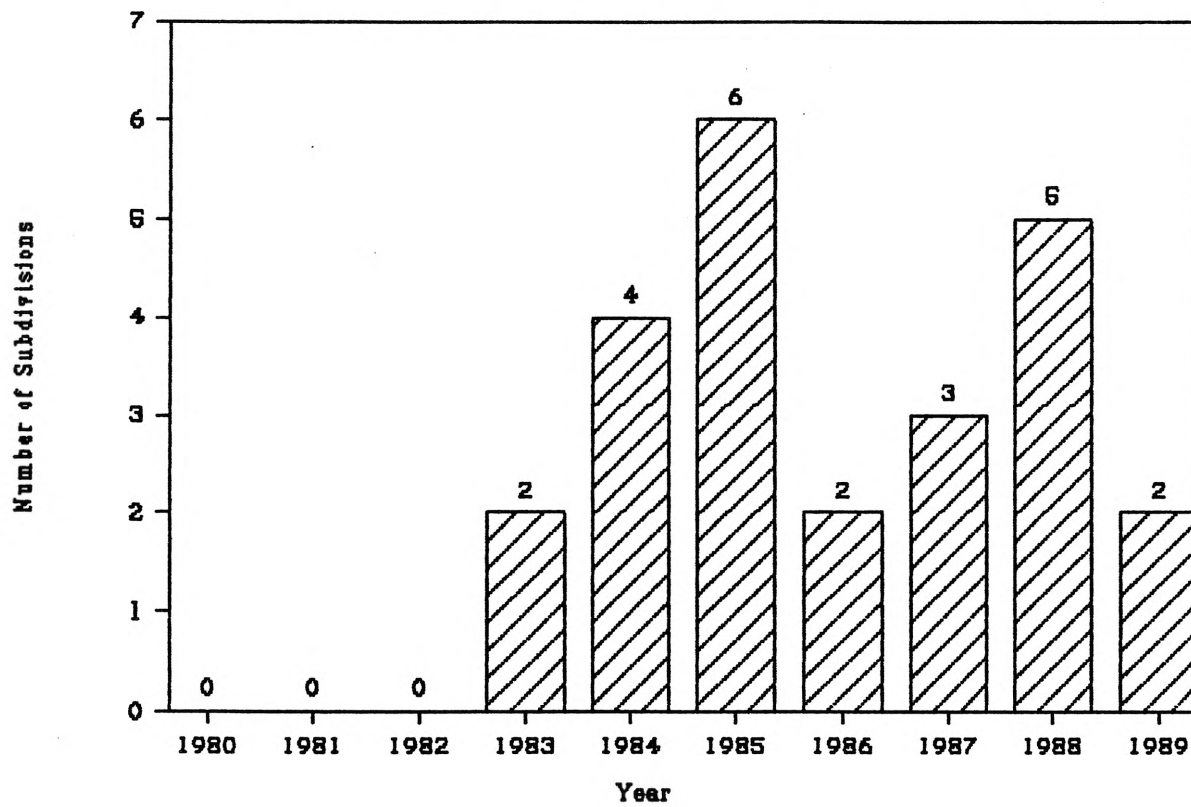
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Figure 2

Subdivisions Studied Per Year



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

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2.2 MOST PROJECTS CREATED BY LOCAL RESIDENTS

Nearly all of the subdivisions were created by people whose residence or business address is in the study area; many were from the same town. In fact, both grantors of parcels and subdividers were all located either locally, or in New England. Some grantors have since moved from the area, but many remain (Figure 3).

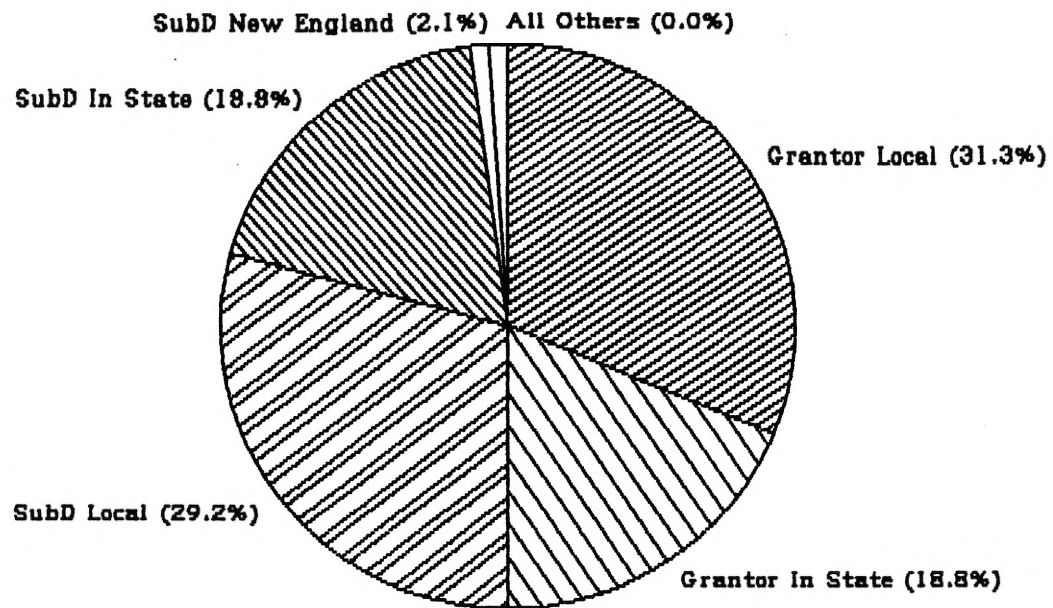
The most active group in creating subdivisions have been families or individuals. Some of these families have owned substantial acreages for many years, developing small percentages of the total ownership over each of several years. Diversified corporations like SMC, involved in both running the resort area and creating housing, have been second most active (Figure 4).

The greatest number of lots created were sold bare, those sold with individual homes already built were all created prior to the study period. There were half as many condominium/townhouse projects created and several projects which included a combination ofouselots, condominiums, and townhouses (Figure 5).

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Figure 3

Grantor & Subdivider Addresses



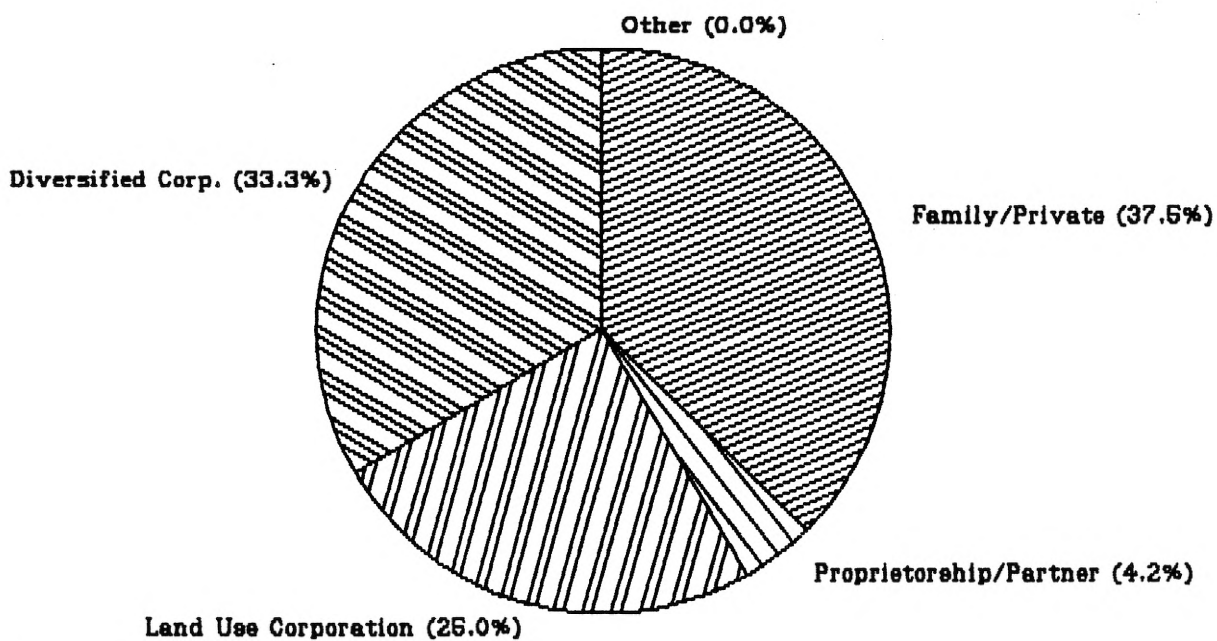
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Figure 4

Subdivider Company Structure



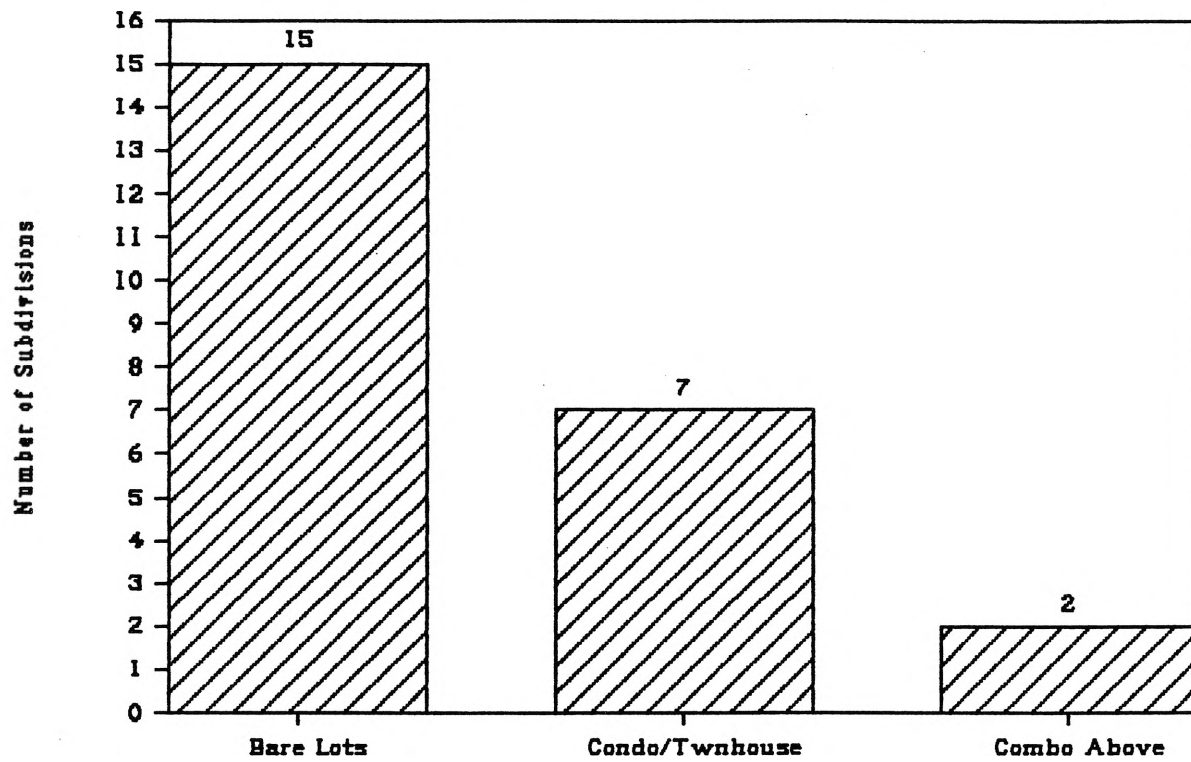
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Figure 5

Total Subdivision Type 1980-1989



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

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1984 and 1988 were the years when the most bare lot subdivisions were created. The most condominium projects were created in 1985 (Figure 6), also explained by the growth of Sugarloaf.

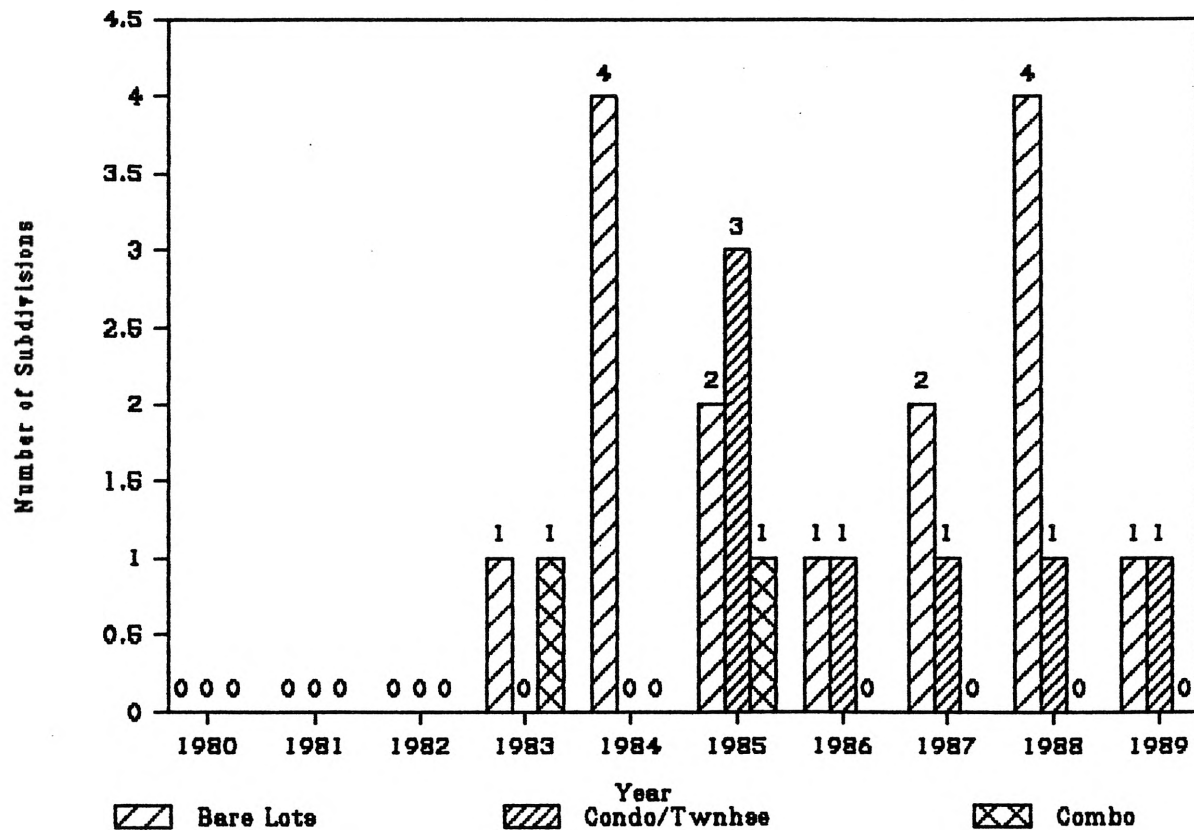
As expected, the majority of projects created in this study area were done around the ski area. Conversely, 32% were created along major roads, mostly Route 27. Only two developments were created in locations noted for their exceptional vistas being the primary attraction. These same two were the only projects created in remote, back-country locations (Figure 7).

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Figure 6

Subdivision Type Per Year

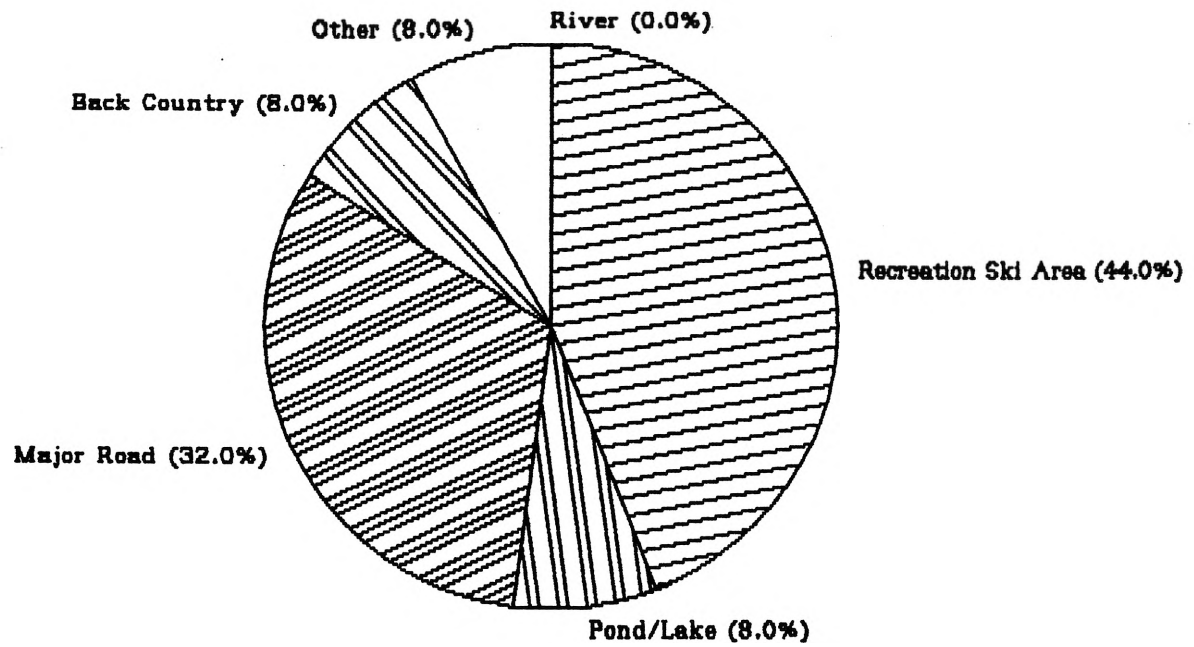


Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

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Figure 7

Subdivision Location in Town



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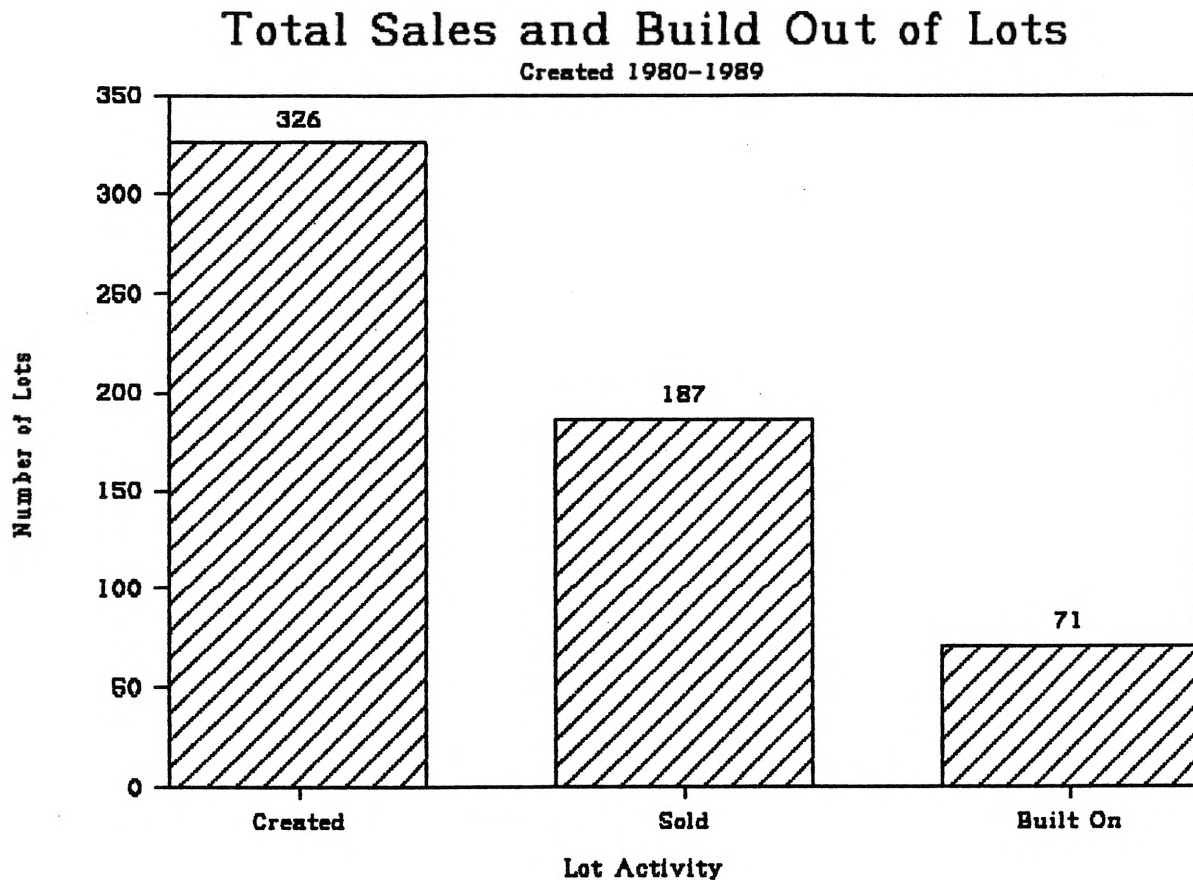
2.3 QUICK SELL OUTS

While it is illegal to actually pre-sell any lots created, the word of mouth advertising done by several of the subdividers accomplished the same goal. Many subdivisions were completely sold in several weeks following their coming on the market.

Of the 326 lots created, to date 57% have been sold and 22% have been built on (Figure 8).

The subdivisions created in 1984 have the highest percentage of lots sold as compared to those created, while 1985 shows the lowest build out for projects created. Subdivisions created in 1988 and 1989 maintain a significant inventory of unsold lots (Figure 9).

Figure 8

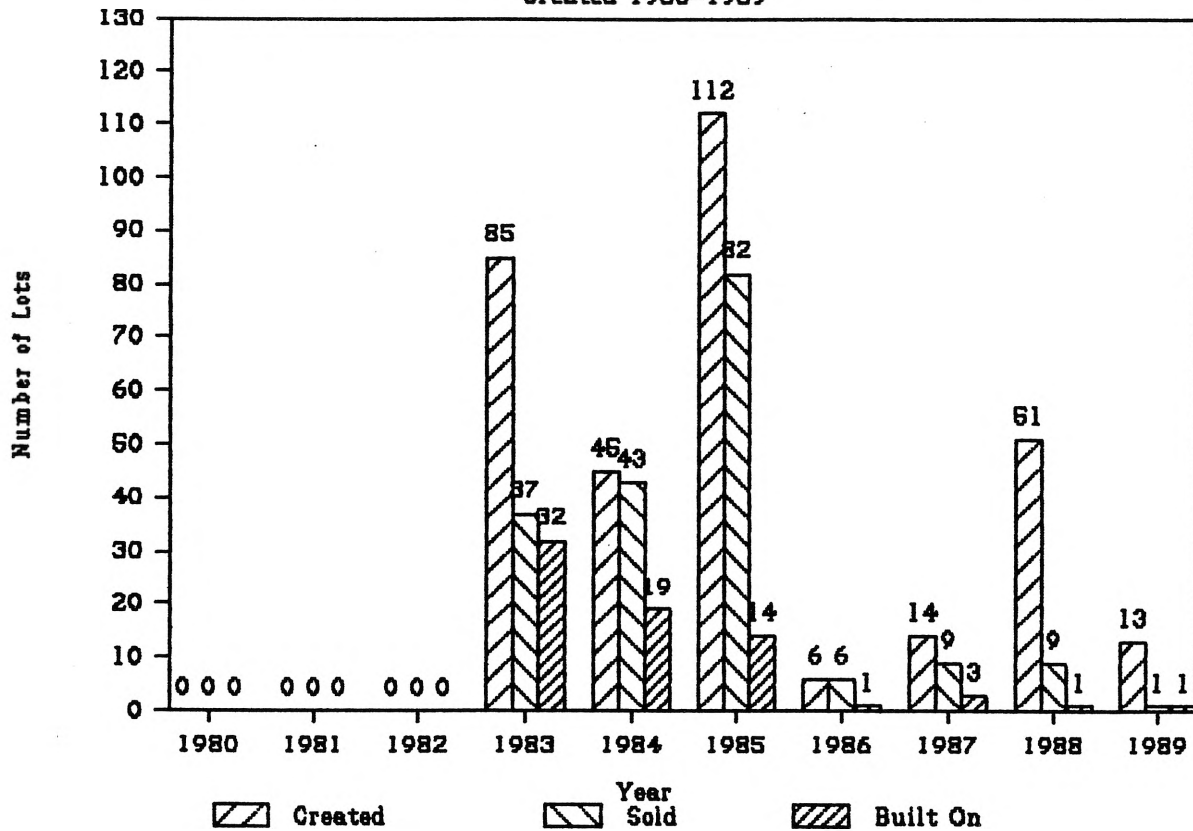


Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

Figure 9

To-Date Sales and Build Out of Lots

Created 1980-1989



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

2.4 REASONS FOR PARCEL SALES

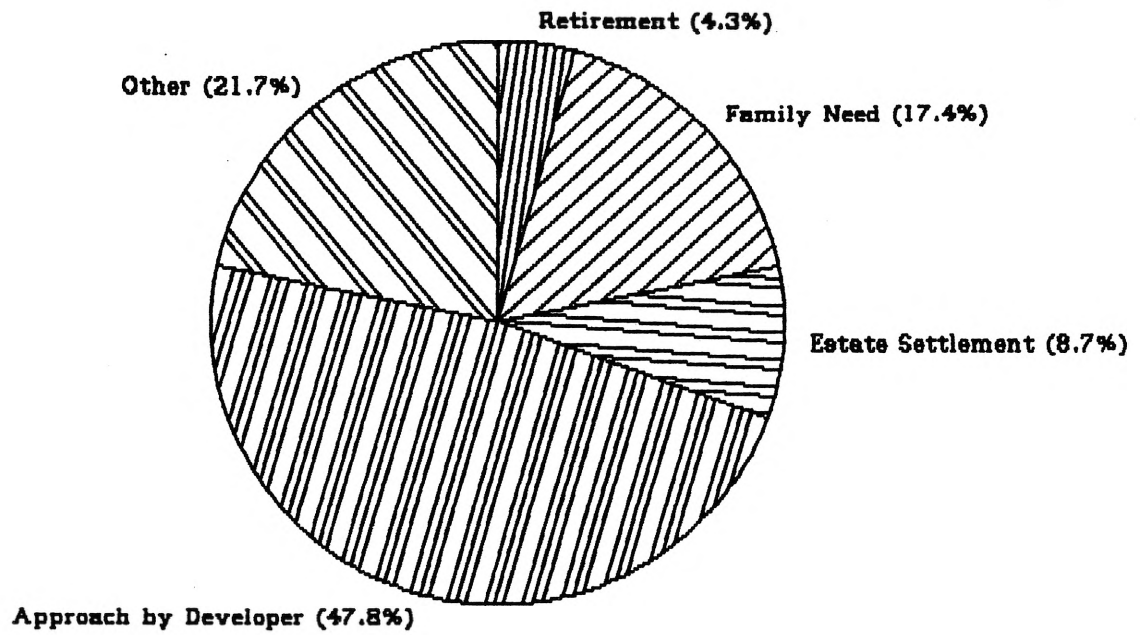
The bankruptcy and reorganization of Sugarloaf Mountain Corporation (SMC) in 1985 dispersed the developments they created around the ski area's base to several companies, all in state, several closely tied to SMC.

The overwhelming reason for parcel sales to subdividers was the grantor being approached by an interested subdivider. The category 'other' is the next most noted reason for parcel sales largely due to the number of projects created by companies completing the planned subdivisions of the bankrupt SMC (Figure 10).

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Figure 10

Reason for Sale of Parcel



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2.5 LOT AND PARCEL SIZES AND PRICES

Acres removed from the commercial forest landbase were approximately 60% of the almost 1,000 acres subdivided during the study period. Acres dedicated to open space/conservation within planned subdivisions were less than 20 (Figure 11).

Nearly eighty percent of the parcels sold or dedicated to subdivision were forty acres or less in size. Of those, the majority were less than twenty acres (Figure 12).

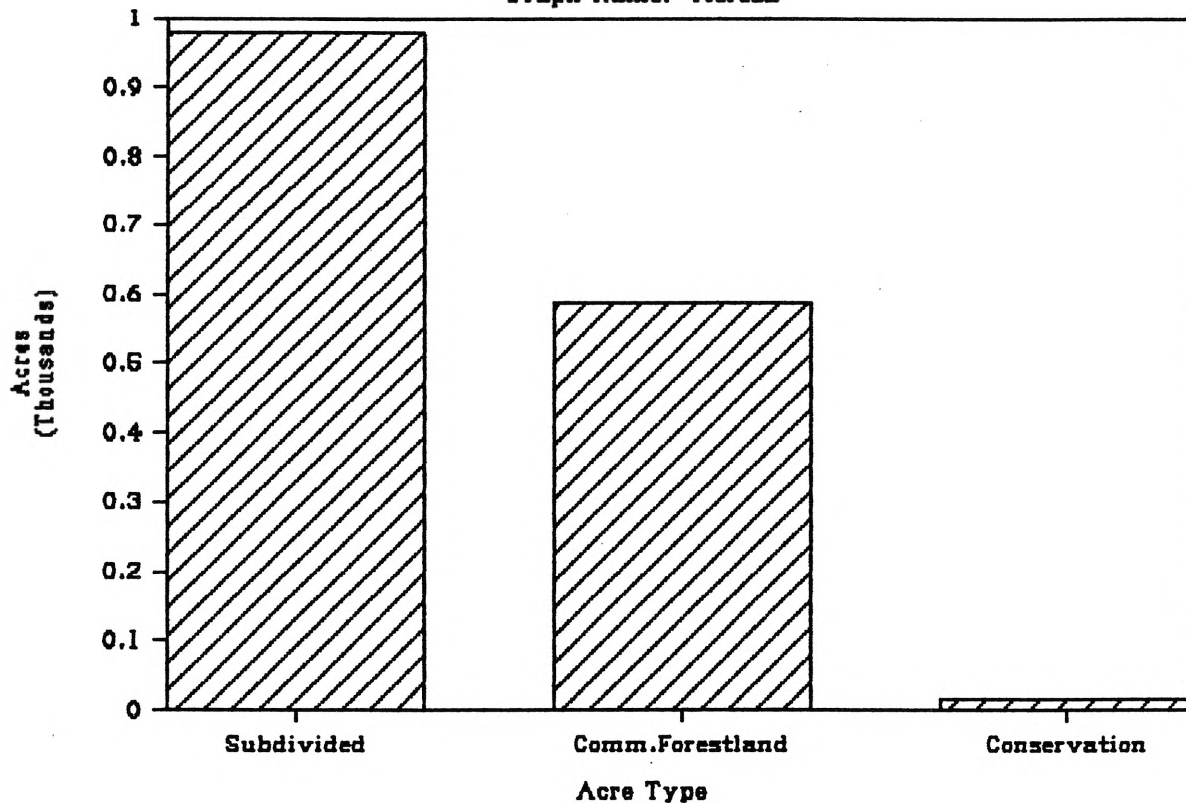
As expected, a large number of acres were subdivided during 1985, already demonstrated to be the year with the most subdivision activity. This was despite the large number of condominium projects created that year. Naturally, few acres per unit, or even project were required. The greatest number of acres subdivided in a single year was 250 in 1988 (Figure 13).

Only two subdivisions created during the study period included 40 acre lots; one selling for \$500 per acre, the other for \$700 per acre. Both of these subdivisions were located in the town of Kingfield. No lots over 40 acres were created during the study period. By definition, whether in organized or unorganized towns, the State of Maine does not consider a project with resulting lots over 40 acres as a subdivision. Such projects are able to be created without the need for state review or approval. The most common lot size in our study area was ten acres or less.

Figure 11

Total Acres Affected 1980-1989

Graph Name: Acres2

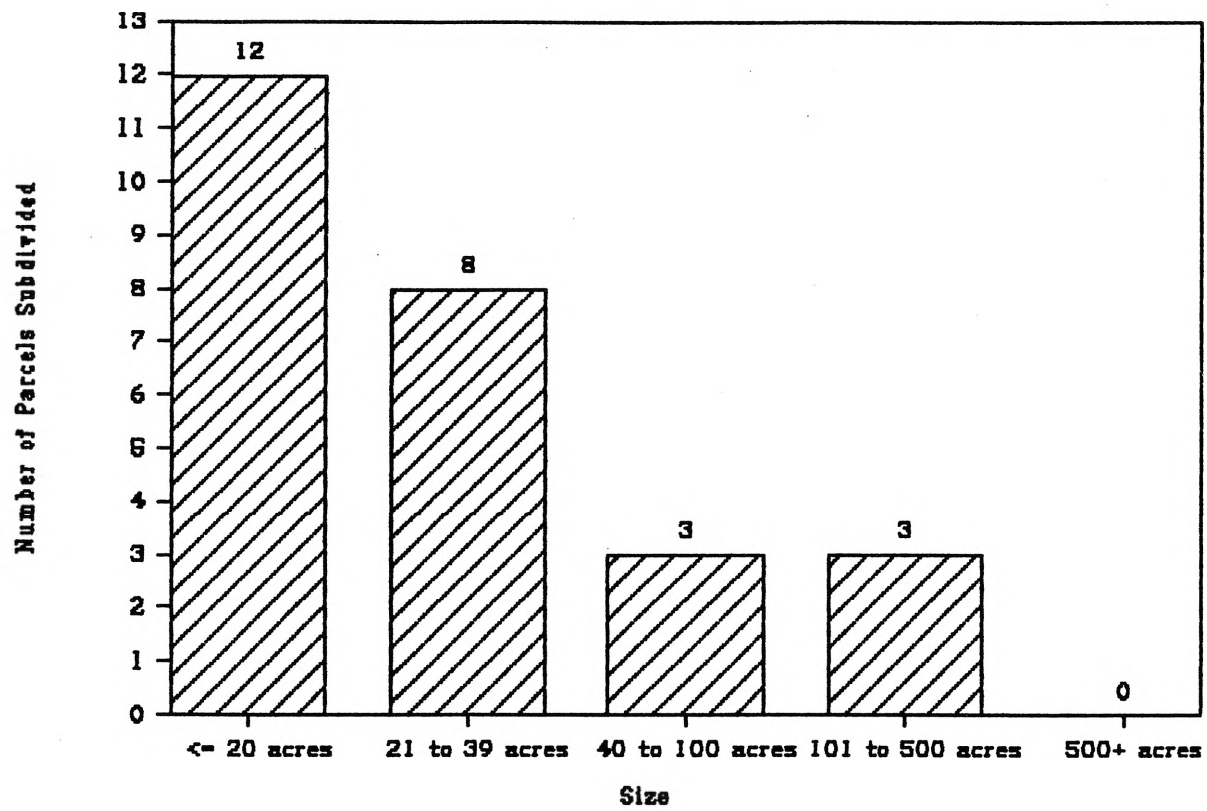


Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

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Figure 12

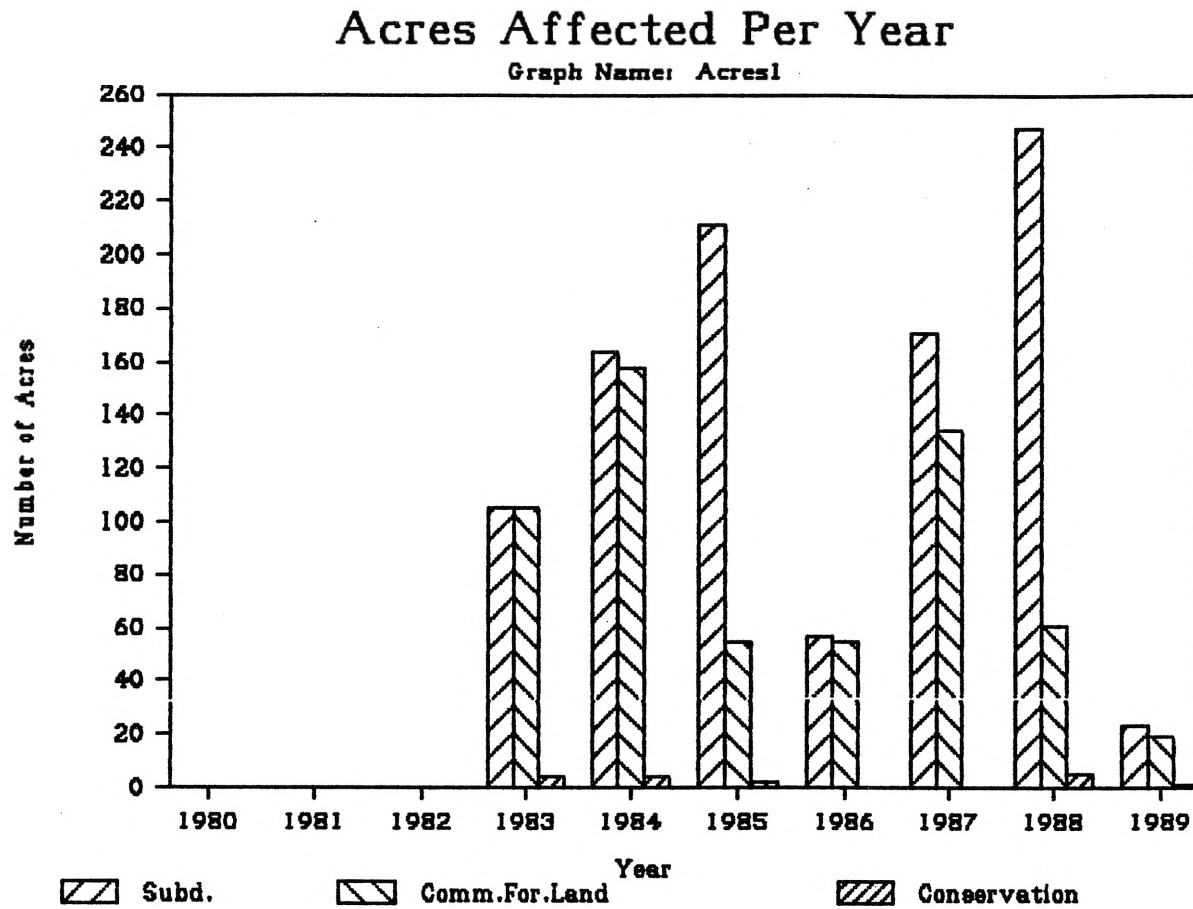
Parcel Size



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Figure 13



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

2.6 SCHOOL ENROLLMENT

School enrollment in the three towns studied has increased by almost 25% during the study period. As might be expected, the town of Carrabassett Valley, despite having the largest amount of new development, has the smallest increase in enrollment at 8% compared to Eustis and Kingfield at 34% and 22% respectively.

2.7 STUDY AREA PROXIMITY TO MAJOR METROPOLITAN AREAS

Using the town of Carrabassett Valley as the center of the study area, only three population centers are within a five hour drive: Portland, Maine; Montreal; and Quebec City. With a 5-1/2 hour drive to Boston and an 8 hour drive to New York City, it is possible for a great many families to be considered potential buyers for lots in this area. The nature of a ski area often makes those interested in weekend trips more likely to purchase lots, thus reducing the number of possible buyers (Table 1).

Table 1

Study Area Proximity to Major Metropolitan Areas

<u>City</u>	<u>Hours</u>	<u>Miles</u>
Albany	7	375
Boston	5.5	245
Buffalo	9.5	565
Hartford	6.5	350
Montreal	4	338
New York City	8	450
Portland	2.5	136
Quebec	3.5	292
Syracuse	9	515

3 SUMMARIES OF SUBDIVISION ACTIVITY BY TOWN

3.1 KINGFIELD

Subdivision activity has been largely for year round residents, many projects were created as families settled estates or broke up old farms. A majority of the original lot buyers were not only Maine residents, but from this or a local town. The existence of Sugarloaf USA has had little affect on Kingfield's subdivision activity, although town businesses obviously benefit from the proximity to the ski area.

3.2 CARRABASSETT VALLEY--SUGARLOAF USA

What started as a ski club in the 1950's has grown into one of the major ski areas in the northeast, bringing with it first small seasonal camps along the highway, then housing and condominiums concentrated heavily around the mountain's base. Little land is available elsewhere in town due to large landholdings of paper companies and the Penobscot Indians. Neither group has demonstrated a willingness to sell, while neither has ruled out the possibility entirely.

3.3 EUSTIS

Once again, despite the proximity of Sugarloaf, the majority of subdivision activity has been unrelated to the mountain. After a major area was subdivided in the early 1970's, the balance of projects were created with local housing demand, and other recreational demands, in mind.

3.4 SUBDIVISION ACTIVITY BY OWNERSHIP TYPE

The land subdivided during the study period represent less than 2% of the total acreage in each town, and less than 4% of the non-industrial private acreage in each. These percentages are 0.9 and 2.6 across the study area as shown in Table 2.

Table 2 Subdivision Activity by Ownership Type				
	<u>Kingfield</u>	<u>Carrabassett Valley</u>	<u>Eustis</u>	<u>Entire Area</u>
Total Acres in Town	24,525	49,430	31,360	105,315
Industrial Forest				
Ownership	11,400	35,045	16,551	62,996
Public/Conservation	75	3,405	980	4,460
Reserved Acreage				
Total	11,475	38,450	17,531	67,456
Non-Industrial				
Private Acreage	13,050	10,980	13,829	37,859
Acres Subdivided				
1980's	404	403	172	980
Acres Subdivided as				
% of Town Total	1.6%	0.8%	0.5%	0.9%
Acres Subdivided as				
% of Non-Industrial	3.1%	3.7%	1.2%	2.6%
Private				

4 TOWN DESCRIPTIONS

4.1 KINGFIELD

Kingfield is the first town reached traveling north on State Highway 27, the major road found in all three of the towns studied. Farmington is the closest population center to the study area with approximately 7,350 residents. Farmington is the Franklin County Seat, and the closest substantial town to the study areas, located twenty four miles to the south. The other major road which leads to Kingfield is State Highway 16, accessing the study area from the town of Skowhegan, the County Seat of neighboring Somerset County. These two roads join in Kingfield to lead through the Carrabassett Valley. Map #1 shows the town as a whole and indicates the locations of subdivisions studied.

4.1.1 Town Population/Schools

Population in 1989 is approximately 1084. The only school in town is for elementary level students, with a total of 200 pupils. This school also serves three local towns including Carrabassett Valley. With no High School of their own, the 57 high school students in Kingfield attend the Mt. Abram High School in neighboring Salem.

In 1980, the beginning of our study period, there were a total of 210

students combining those attending the Kingfield Elementary School, and Kingfield high school students at Mt. Abram. This means that there was a 22% increase in enrollment during the study period.

4.1.2 Businesses In Town

Of the three towns studied, this is arguably the most suburban. The businesses in town include three wood turneries drawing raw material from the local area, five realtors, two insurance agencies, two banks, three beauty parlors, a thirty room hotel dating to the early 1900's, two oil dealers, three 'bed & breakfasts', a half dozen restaurants, a car dealership, and a substantial lumberyard. The locations of many of these establishments appear on Map #2. The existence of all these businesses is surprising, considering the continued rural character of the town. Few of the commercial structures are newly built; many older buildings have been renovated to make them more attractive to the tourist trade and more useful in their new business applications.

4.1.3 Town Government/Land Use Rules

Town government is of the town meeting type with a board of selectmen. In 1988 a timber cutting ordinance was initiated requiring permits from the town prior to cutting. This rule applies to all harvesting operations, not just those proposed in recognized sensitive areas such as flood or shoreland zones.

Also in 1988, the town recognized the continued popularity of Sugarloaf USA, likely pending projects, and the obsolescence of a comprehensive plan unchanged since 1973, as a dangerous combination for allowing future unchecked development. In January of 1988 a subdivision moratorium was enacted banning subdivisions and the construction of any multi-unit structures, while still allowing the construction of single family homes whether alone or as part of existing subdivisions. As directed in the moratorium, a new comprehensive plan was adopted in March of 1989 which includes a subdivision ordinance requiring approval of a subdivision plan by the town planning board. Until this comprehensive plan, building permits were required only in areas designated shoreland protection or flood zone.

4.1.4 Subdivision Activity

The subdivision activity in town has been predominantly since 1970, with only three projects taking place during our study period, 1980-1989. Many of the subdivisions created in town can be traced to the large landholdings of a single Kingfield resident now living in Virginia. At one time he owned 1200 acres in Kingfield and the surrounding towns and sold it to a local timber harvester who sold parcels over the course of several years. Interestingly, this timber harvester has recently retired, claiming that the laws designed to limit development have made it economically infeasible for him to operate. A

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significant portion of this land has been purchased by a couple in Massachusetts who have sold smaller portions through a local realtor familiar with the area, having worked as a game warden there for many years.

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4.2 CARRABASSETT VALLEY

The next town traveling north on Route 27 (now joined by Route 16) is Carrabassett Valley, the home of Sugarloaf USA. The valley that town is named for allows little room for any other roads. Route 27 being a state maintained road leaves the town budget to care for less than ten miles in total. The roads serving the ski area and each subdivision are privately owned, created by the respective developer.

4.2.1 Town Population/Schools

In 1970, what is now Carrabassett Valley was two townships that had a combined population of 11 residents. In 1972 the two were joined and organized as the town of Carrabassett Valley. By 1980 the population was 107 and in 1989 there are approximately 350 year round residents. These numbers pale in comparison to the ten thousand plus that can be found in the valley on the busiest ski weekends of the year.

As mentioned in our description of Kingfield, Carrabassett Valley has no schools of its own, but pays to send students to elementary school in Kingfield and High School students attend Mt. Abram. There are 24 such elementary students, and nine attending public high school. There is a private boarding school in the town for those of high school age with a total enrollment of eighty, including five from the town. This diverse group results in a total

of 38 students in Carrabassett Valley in 1989. The comparable 1980 total for student enrollment was 36, indicating an 8% increase in enrollment during the study period.

4.2.2 Businesses In Town

There is no industry in town that cannot be directly tied to the existence and support of the ski area. A small airport sits directly across the road from one of two gas stations in town and the only grocery store not located on the mountain. There are three real estate agencies in town, two at the ski area, and one nearby.

4.2.3 Town Government/Land Use Rules

Town government is handled by a town meeting format. There is a five member board of selectmen and a town manager responsible to the board. Both the town manager and town clerk are full-time paid positions. Committees appointed by the selectmen include a conservation commission, planning board, zoning board of appeals, and a parks and recreation committee.

Originally this was two townships, Jerusalem and Crocker, that had no local government but relied on the state for services and regulation as many unorganized towns in northern Maine do to this day. Total land area in town is 49,430 acres resulting from the joining of these two townships. Of this, a significant portion is owned by several paper companies, but the largest single landowner in town is the Penobscot Indian Nation. Statewide, the tribe

is ranked the tenth largest landowner with slightly over 200,000 acres. Following a 1980 settlement with the State of Maine over land claims, the Penobscot Nation purchased 25,000 acres here from the Dead River Company in 1981.

4.2.4 Subdivision Activity

The locations of the projects we studied appear on Map #3, showing that development has been along the corridor between highway 27 and the Carrabassett River, and around the base of the ski area. Subdivision activity started in the 1960's between Route 27/16 and the Carrabassett River, with a large number of small lots. Maps #4 and 5 show the layouts of three of these early developments and why they proved popular; river frontage and easy access to the only major road in town. These are mostly quarter-acre lots which would not meet today's regulations, but sold well at the time, providing many people with an inexpensive vacation homesite. On many of these lots small A-frame style structures were built for use as seasonal camps. A large number of these small structures remain to this day, some having been substantially improved, but many still provide no more amenities or living space than they did originally.

The Dead River company owned thousands of acres in the surrounding area to support its early sawmill operations and created many of the subdivided lots here in the 1970's. Many homes were also built on these lots by a division of the company.

The ski area itself was developed by SMC which acquired the 7,000 acres it now owns in a number of purchases from paper companies operating in the state. As Sugarloaf USA grew in popularity, development moved off the highway to areas closer to the slopes and base lodge. In the seventies condominiums came to Sugarloaf with the most units built in a single year during 1984 with 132 building permits issued for new structures. There is an interesting mix of development types in the Sugarloaf complex. Map #6 provides the layout of Riverside Development created on the mountain. While there are 82 lots in total, fifteen are considered estate lots with up to three acres per lot, with the balance of the lots being approximately one acre in size. Some of the other projects include houselots and townhouses in the same development, others condominiums and homesites. One of the most intriguing plans to us is the 'incredible shrinking lot'. In this situation a buyer purchases a lot one plus acres in size, but once the lot is built on, ownership is reduced to the ground the home covers plus a ten foot border surrounding it. The balance is devoted to common ownership of all residents in the development. This plan is limited to one project in the Valley, but is indicative of the creativity that has gone into common space creation in recent years. Only one of the developments away from the mountain that we studied had any allowance for common/conservation space.

In the Carrabassett Valley of today, there are approximately 1200 condominium units, projects on the mountain continue to be created, and units

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do sell, but a push is on to find land along the highway for future projects. The Carrabassett River provides some of the most desirable spots for development, but had its development potential realized through the pre-1980 subdivision activity. A commonly heard comment amongst area realtors is that there is still a significant housing demand, but no more available land.

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4.3 EUSTIS

The last town in our study area is Eustis, dominated by the village of Stratton where Routes 16 and 27 diverge. Following Route 27 allows one to reach the Canadian border, while Route 16 heads toward the town of Rangeley, also a popular resort area with a major downhill ski resort.

4.3.1 Town Population/Schools

The latest voting list in Eustis included 552 names, but 1989 population is estimated at 800. The sudden increase is accounted for by construction crews taking up temporary residence while building a wood fired powerplant in town. Eustis has 101 students in it's own elementary school and sends approximately 40 students to Mt. Abram High School, for a total of 141. This figure represents a 34% increase over the 1980 figure of 105 students.

4.3.2 Businesses In Town

The industrial base in this town is the local logging industry, a major sawmill, tourism, and recreation in the form of snowmobiling and hunting. Businesses in town include a logging supply store, a bank, two motels, a grocery store, and a general store. Like Kingfield, there is a large hotel dating back to the early 1900's. This one now houses the town office and one of two real estate firms in town. The wood fired powerplant under construc-

tion is due to go on line November 1, 1989. The plant is designed to produce 39.8 megawatts of power. There is some talk of the local sawmill expanding to include a second, separate mill on the same site.

4.3.3 Town Government/Land Use Rules

Like Kingfield, no building permits have been required in town for projects not in shoreland or flood zones, but in Eustis this system remains in effect today.

4.3.4 Subdivision Activity

The majority of subdivision activity in town has been to meet local housing demand rather than aimed at the ski market. Map #7 shows the similarity of subdivision locations in Eustis and the early Carrabassett Valley developments. In both cases, most the development occurred along the only major road in town, even more attractive with nearby water. Also not unlike Carrabassett Valley, several of the pre-1980 developers created a large number of lots too small to meet today's regulations. In more than one case, sales were minimal and lots were combined to make them of sufficient size to meet regulations, and more attractive to the purchasing public. Map #8 provides the layout of one of these early projects, which happened to have lots added during our study period. Sales of the original lots in this case were good with a complete sell-out in a short time.

The existence of Flagstaff Lake in town has not had the effect that other

water bodies do on creating housing sites. Although it is of substantial size, it is a shallow, stump filled lake used as a holding area for hydroelectric power generation, largely unsuitable for recreation, and unattractive for fishing. One substantial subdivision was proposed on a peninsula in the lake covering over 600 acres and a sale was negotiated with a major developer. The owner withdrew the offer to sell, claiming the state was too slow to grant the needed approval.

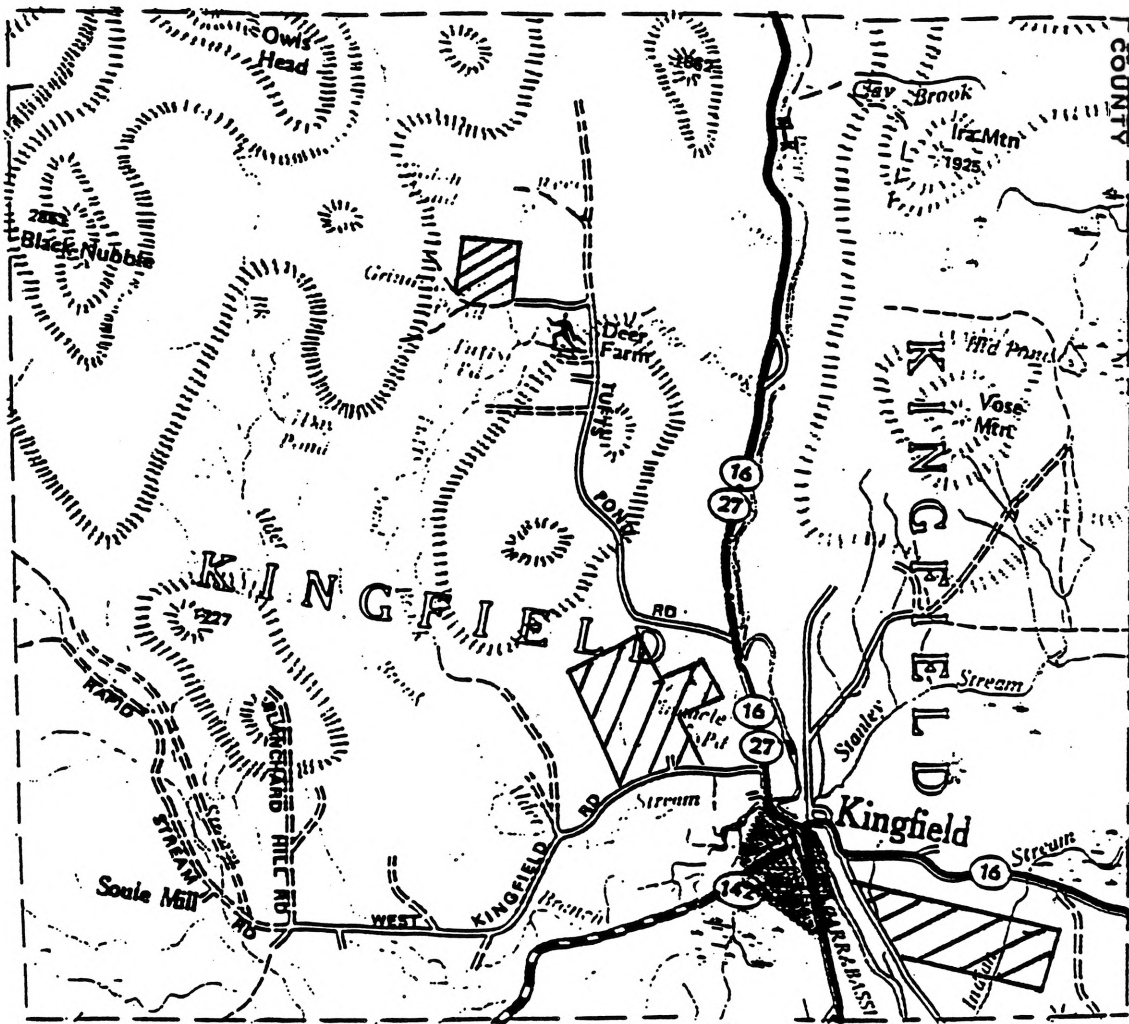
Map #9 is included to show the location of two of the developments we studied, Ridgewood and Ravenwood. They are located on Eustis Ridge; offering spectacular views of the Bigelow Mountains. These subdivisions sit on 55 acres of the 500 purchased by a local family and developed by the buyer's surviving sons. Several of the other subdivisions in town were created in much the same way, with large family holdings being sold off a small portion at a time.

We studied seven subdivisions and found nearly all were created by people living locally. In each case, when developers from outside the area were involved, it was because they had approached the grantor.

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5 MAPS

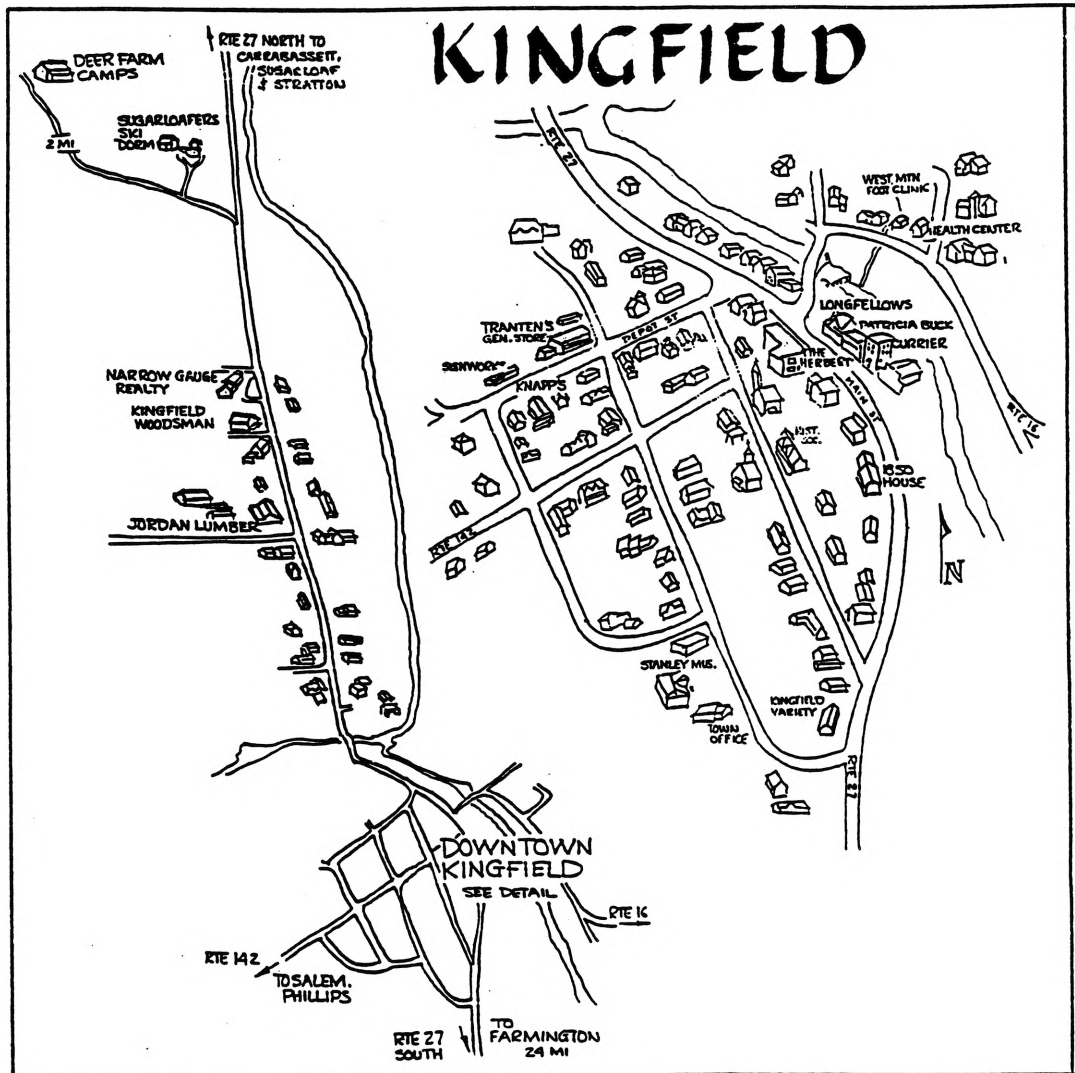
5.1 SUBDIVISIONS KINGFIELD



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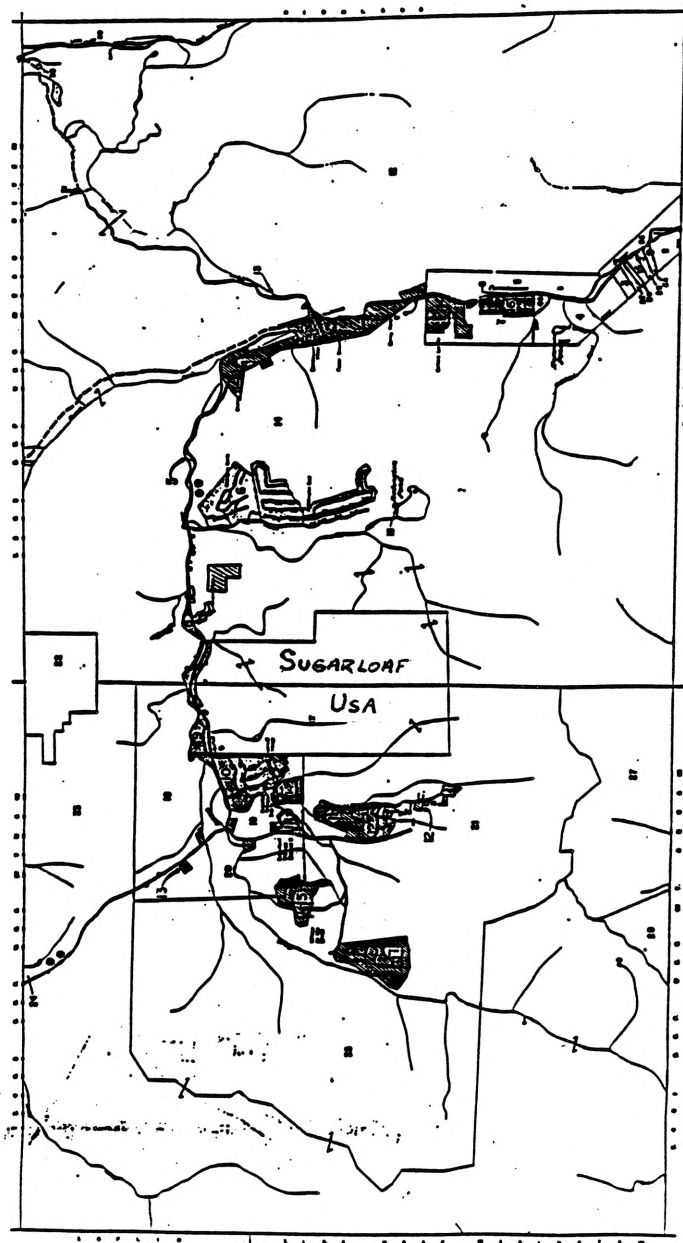
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5.2 KINGFIELD VILLAGE



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5.3 SUBDIVISIONS CARRABASSETT VALLEY

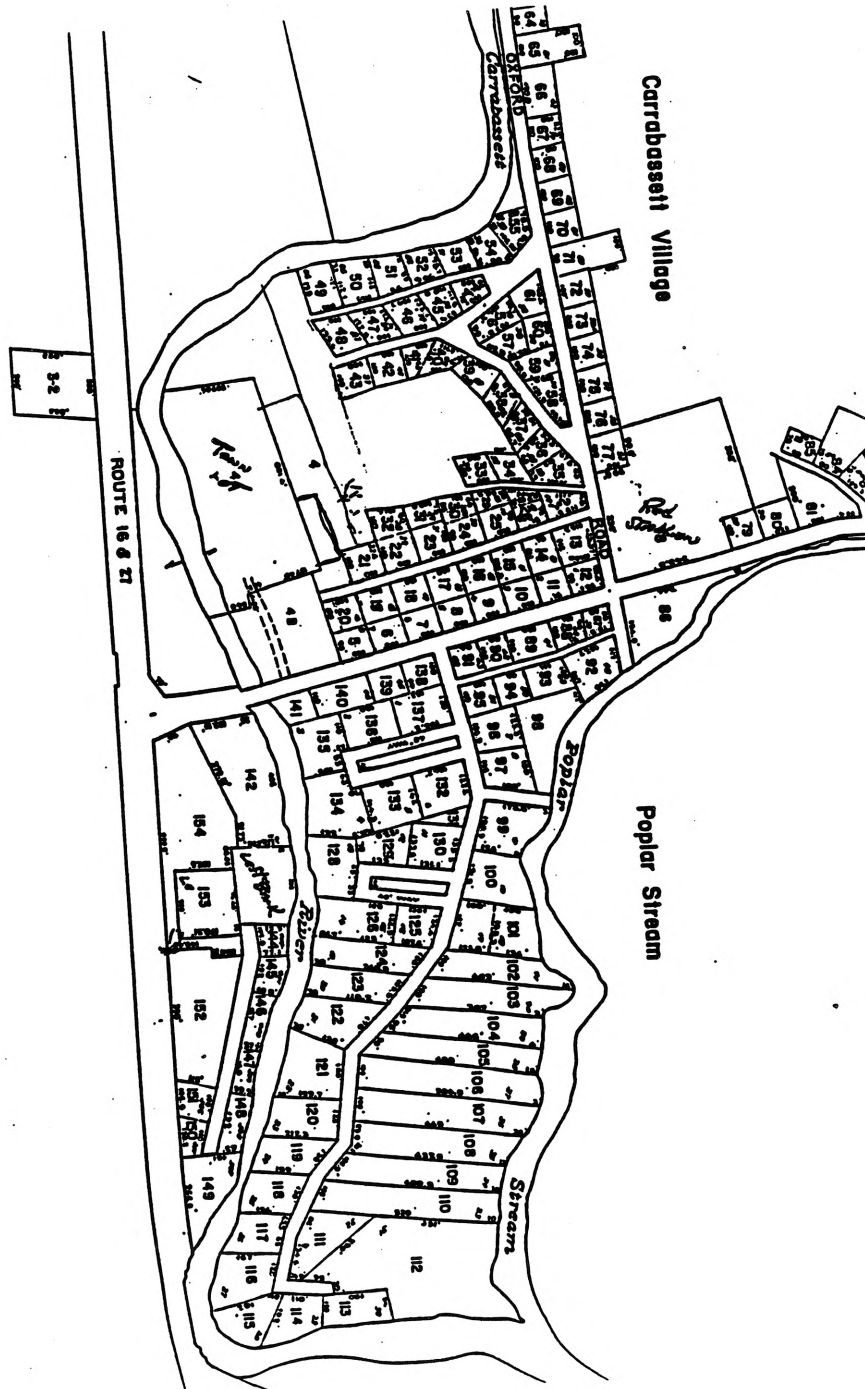


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5.4 CARRABASSETT VALLEY PRE-STUDY: CARRABASSETT VILLAGE & POPLAR STREAM

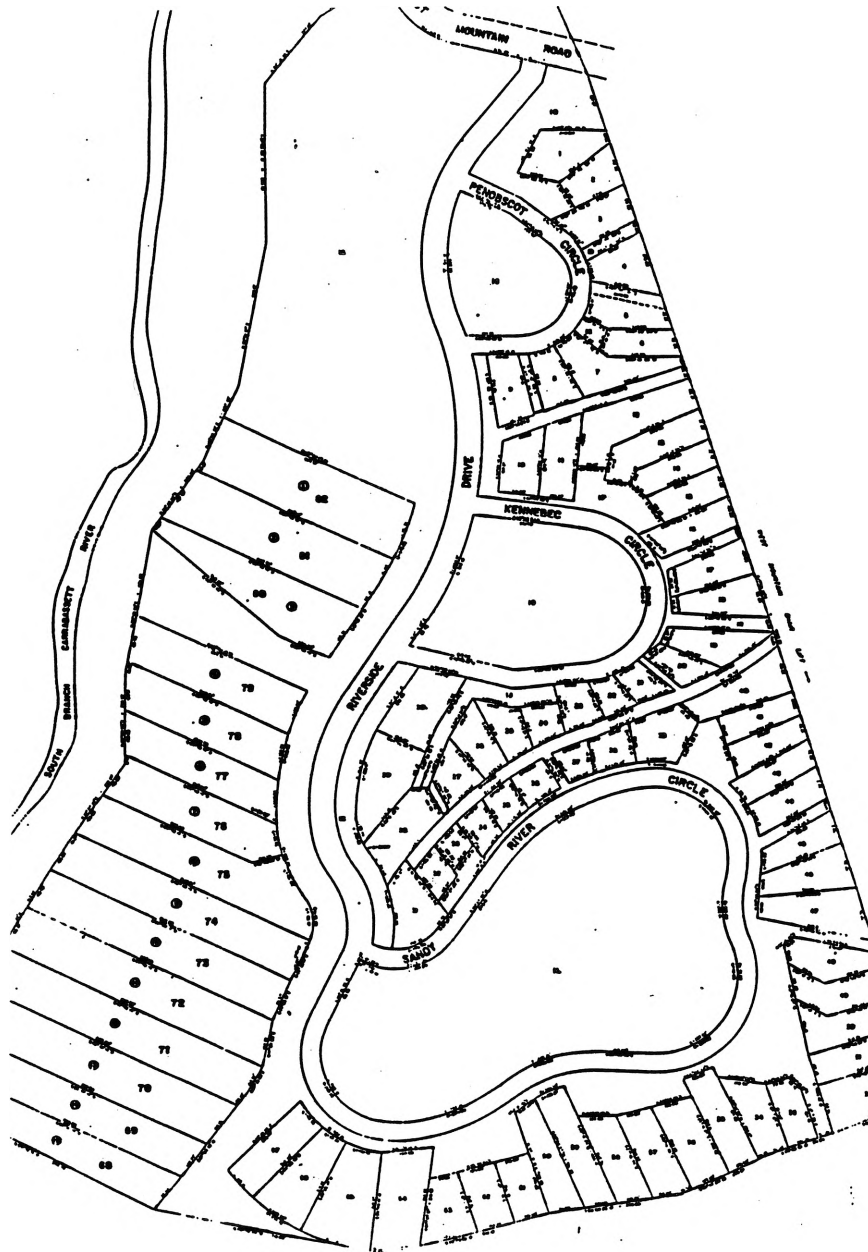


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5.6 CARRABASSETT VALLEY: RIVERSIDE DEVELOPMENT

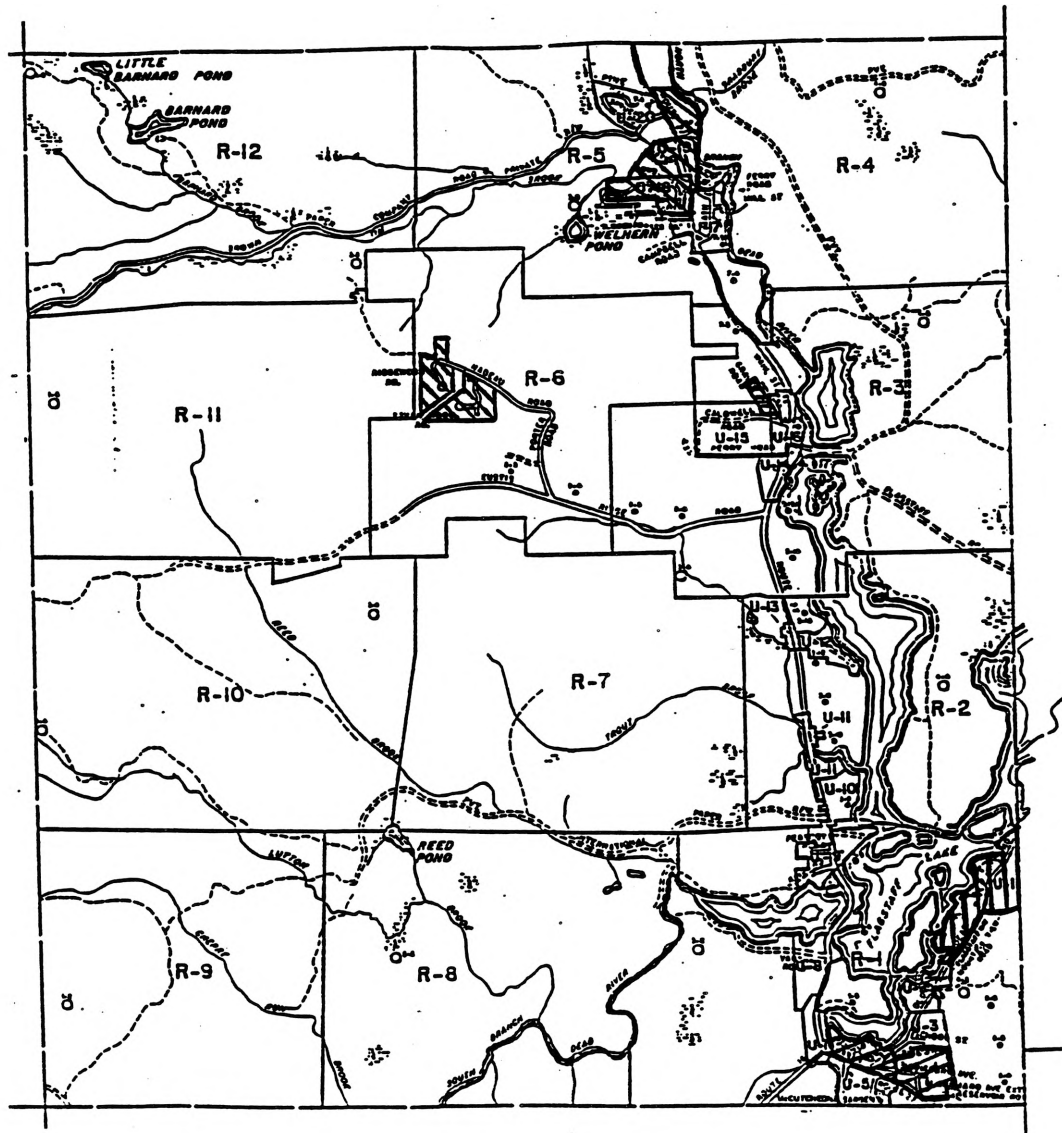


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5.7 SUBDIVISIONS EUSTIS

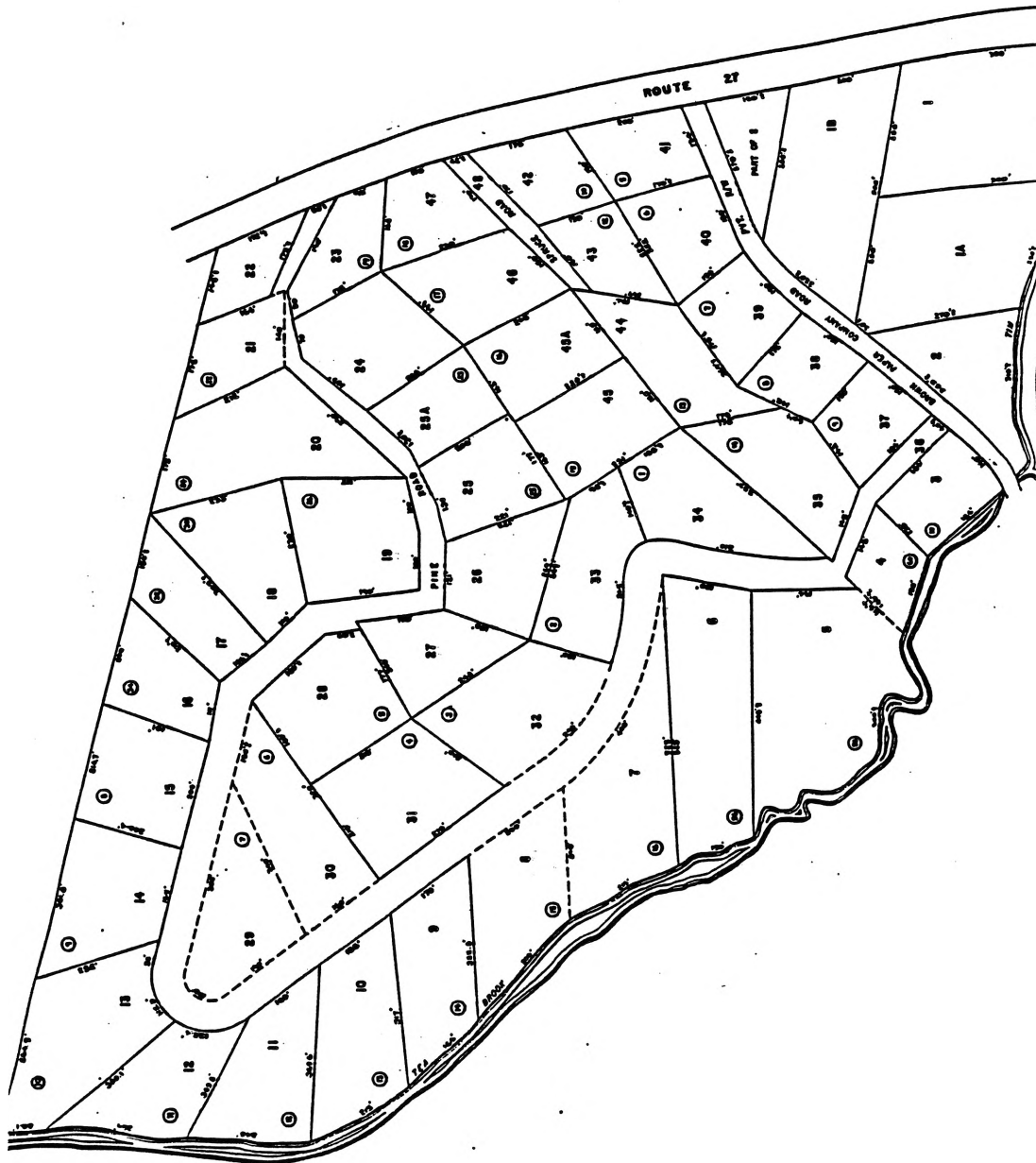


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5.8 EUSTIS: TEA BROOK SUBDIVISION

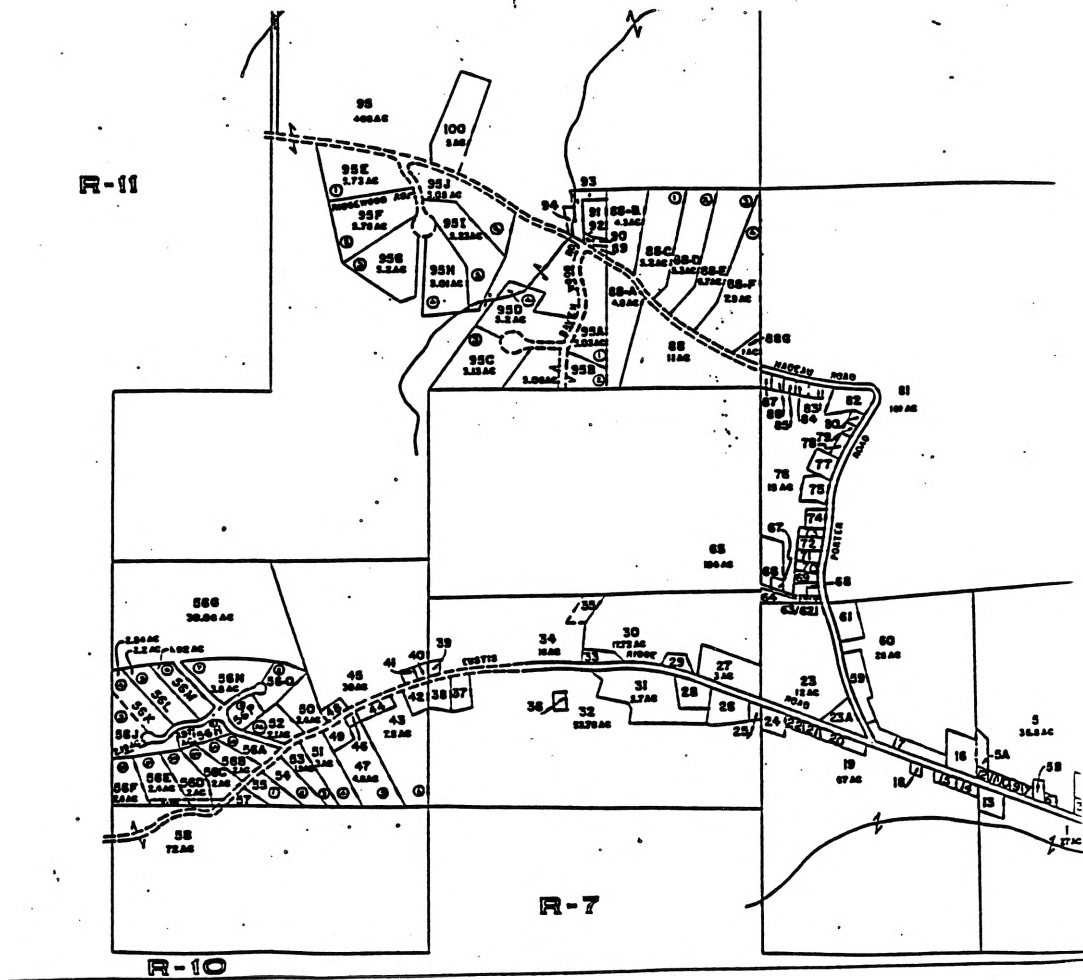


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5.9 EUSTIS: RIDGEWOOD & RAVENWOOD DEVELOPMENTS



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NORTHERN FOREST LANDS STUDY

August 31, 1989

CASE STUDY

Coos County, New Hampshire

Prepared By

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1 SUMMARY OF ACTIVITY ACROSS THE STUDY AREA

-- The majority of subdivision has been done by local residents, whether subdividing their own land or purchasing in the area to create lots. In some cases financial support for these local subdividers has come from companies outside the area.

-- Average lot size in the three primary study towns is 7.7 acres. Average lot size in both primary and secondary towns is 7.92 acres.

-- Lots with water frontage and water views have been popular, but lots with road frontage and back lots have been more common and sell equally well.

-- Of the 13 subdivisions we were able to study further by contacting subdividers and grantors, only one project was identified as being created on commercial forestland. This subdivision was in Pittsburg and covered approximately 350 acres.

-- Of the 248,512 acres in the 11 town study area, 1.97% was subdivided between January 1980 and June 1989. Of those acres available for subdivision due to type of ownership, 6.24% were subdivided in the same period.

-- Whitefield had the greatest number of subdivisions during the study period of all towns considered at 49.

-- Pittsburg had the greatest number of acres subdivided at 2,595, followed by considerably more suburban Lancaster and Colebrook, with 2,533 and

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2,054 acres respectively.

-- Errol had the least number of subdivisions created at two. It remains the only incorporated town in the county without subdivision regulations.

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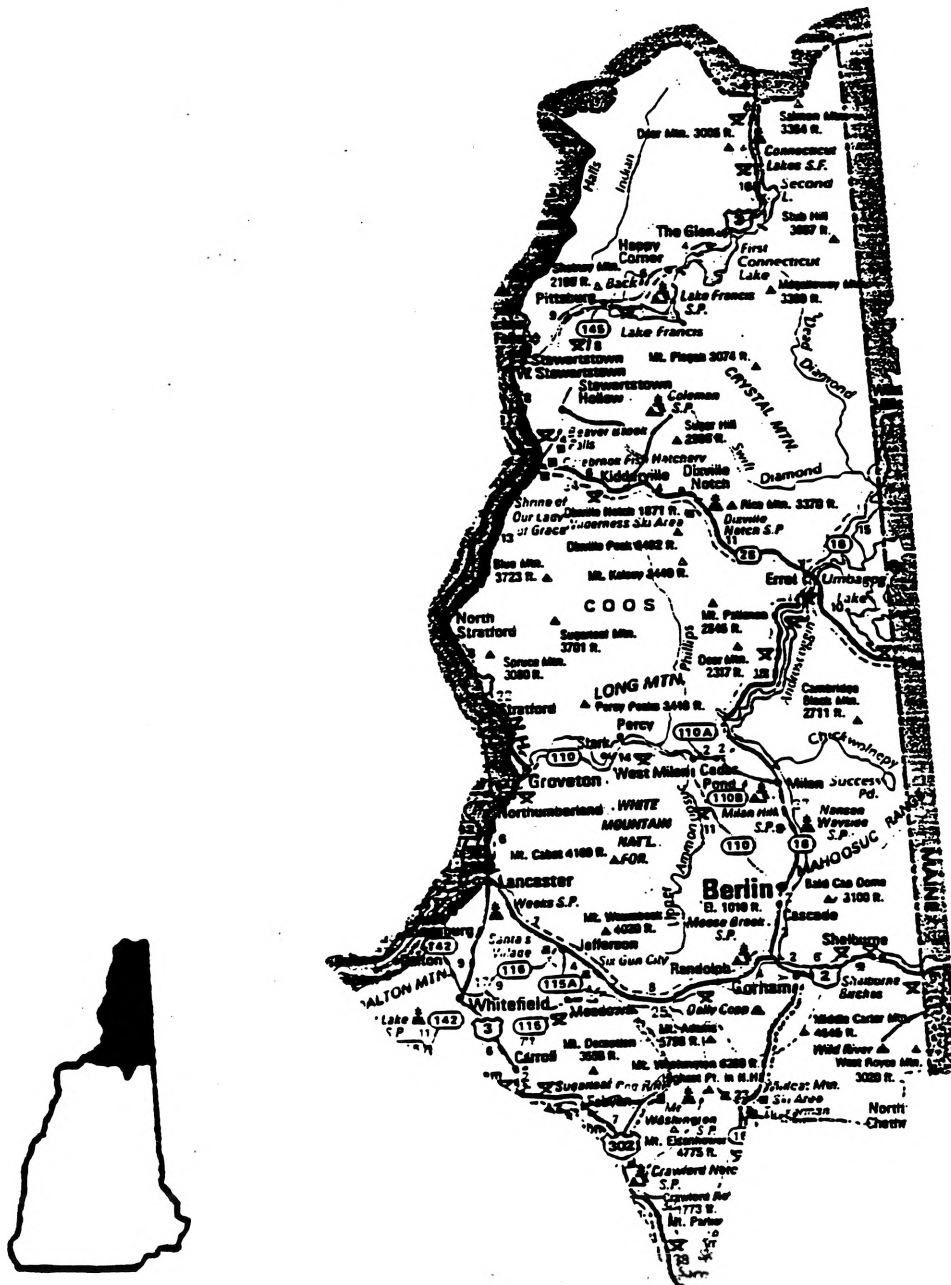
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2 COOS COUNTY DESCRIPTION

Coos County is the most northern in the state, and the one we chose to focus our attention on in New Hampshire due to the large percentage of forested acres and potential for forestland subdivision. Of a total 1,154,900 acres, fully 88% or 1,021,500 acres are classified as timberland. Of the ten counties in New Hampshire, Coos ranked second only to Grafton County in the annual growth and reserve of forest biomass, while it led the state in removals at 1,267,880 green tons in 1982. Figure 1 is the Coos County and locator map.

As of April 1989, Coos had 3.4% of the state labor force, 20,850 of a total 610,390. Unemployment statewide was 2.7% while Coos was slightly higher at 3.0%. The single employer in the county with 1,000 or greater employees is James River Corporation, operating paper mills in both Berlin and Northumberland. There are also several substantial sawmills in the county. Statewide, roundwood production in 1982 for both hardwoods and softwoods was 73,159 thousand cubic feet, with Coos and Grafton Counties having the greatest production. Coos County production accounted for the largest proportion at 34%.

Figure 1
Coos County and Locator Map



The county is attractive for recreation of all kinds, from the lakes and mountains for summer recreation, to winter sports led by skiing and snowmobiling. Two of our primary study towns, Whitefield and Pittsburg, have successfully established themselves as snowmobiling centers in New England.

The White Mountain National Forest is important to the area for recreation and other uses. In total, it covers 768,776 acres in New Hampshire and Maine. National Forest in Coos County covers 224,040 acres, approximately 30% of the two state total.

It is useful to address the distances from the county to major metropolitan areas to understand who the potential lot buyers might be. Carroll and Dixville Notch were chosen as destinations due to their separation from one another, providing a county-wide perspective (Table 1).

<p>Table 1 Distances from County to Major Metropolitan Areas</p>		
	<u>Carroll/Twin Mountain</u>	<u>Dixville Notch</u>
Albany	240	290
Hartford	230	280
Montreal	165	152
New York City	340	390
Portland	95	150
Quebec City	235	180

2.1 STUDY TOWNS

Of the twenty incorporated towns in Coos County, our study directly addressed eleven. In order to get specific data, yet still allow countywide coverage, primary and secondary study towns were established. There were three primary study towns and eight we considered secondary. In both types of towns, data on subdivision activity was gathered, but a higher level of detail was sought in the primary towns.

The eight secondary towns were Berlin, Carroll, Colebrook, Errol, Groveton, Jefferson, Lancaster, and Randolph. In each of these we documented the number of subdivisions, acres subdivided, and lots created on a per year basis during the study period. This information was gathered in individual town offices.

The three primary study towns were Whitefield, Milan, and Pittsburg. In addition to collecting the data described above for secondary towns, we studied both the town and the subdivisions more closely. We sought information on the town in terms of population trends, businesses, government, and regulations affecting subdivision. In further describing the subdivisions created during the study period, we contacted both subdividers and grantors of the parcels subdivided.

3 COOS COUNTY PLANNING BOARD

In 1988 the state passed legislation addressing the regulation of development in the unincorporated towns in the state, making it the responsibility of individual county offices. Coos has 23 unincorporated towns among its total of 43, making it appear that this legislation was aimed at Coos specifically. In those 23 there are a total of 97 inhabitants in 1989. Services for these towns had already been organized at the county level, with abutting towns being contracted to provide snow plowing and other related tasks. Coos county commissioners have appointed a planning board to prepare subdivision regulations and a master plan. The subdivision regulations have been completed, closely resembling those used in Maine by the Land Use Regulation Commission, and appear as an appendix to this report. The master plan will be completed during the summer of 1989.

For the twenty incorporated towns in the county, Table 2 below indicates the individual development regulations in each. The subdivision regulations enforced by the state of New Hampshire appear as an appendix to this report.

Table 2
Land Use Regulations in Effect by Town
as of May 25, 1989

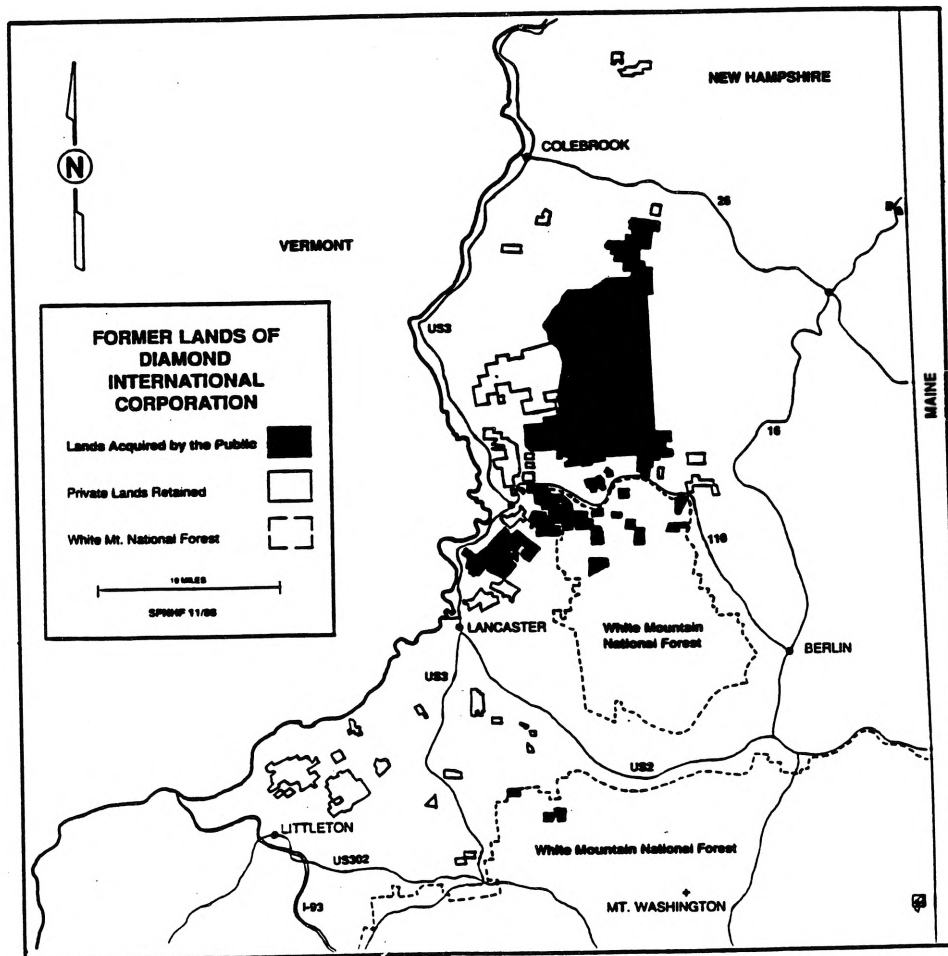
<u>Town Name</u>	<u>Zoning</u>	<u>Subdiv</u>	<u>Building Permit</u>	<u>Excava</u>	<u>Site Plan Review</u>
Berlin	Yes	Yes	Yes	No	No
Carroll	Yes	Yes	No	No	No
Clarksville	No	Yes	No	No	No
Colebrook	Yes	Yes	Yes	Pending	Yes
Columbia	Yes	Yes	Yes	No	No
Dalton	No	Yes	No	No	No
Dummer	Yes	Yes	Yes	No	No
Errol	No	No	No	No	No
Gorham	Yes	Yes	Yes	No	No
Jefferson	Yes	Yes	Yes	No	No
Lancaster	Yes	Yes	Yes	No	Yes
Milan	Yes	Yes	Yes	No	Yes
Northumberland	Yes	Yes	Yes	No	Pending
Pittsburg	No	Yes	Yes	No	No
Randolph	Yes	Yes	No	No	No
Shelbourne	Yes	Yes	Yes	Yes	Yes
Stark	No	Yes	No	No	No
Stratford	No	Yes	No	No	No
Stewartson	No	Yes	No	No	No
Whitefield	No	Yes	No	No	No

4 DIAMOND LAND SALE

For our purposes, the most noteworthy event which took place in the county during our study period was the sale of land by Diamond International Corporation, one impetus for the Northern Forest Lands Study itself. Although already much publicized, it seems that a quick summary of how this transaction affected Coos County is appropriate here.

In total, 67,000 acres were sold in the state, nearly all located in Coos County. Speculation that this land would be developed has not yet proven true, although little time has passed. Using federal funds, the State of New Hampshire purchased approximately 45,000 acres statewide. The state retained fee ownership of a large percentage of this land, and sold conservation easements to the Forest Service on acres within the White Mountain National Forest. Remaining parcels were sold at a land auction in September 1988 to a variety of buyers, in lots from 3 to 4,328 acres in size. The original buyer, Rancourt Associates, retains approximately 15,000 acres. The Coos County towns of Columbia, Dalton, Dummer, Jefferson, Lancaster, Northumberland, Stark, Stratford, and Whitefield all contain acreage included in the Diamond land sale. Map 1 shows the location of land affected by the sale.

Figure 2
Diamond International Corporation Map



5 SUBDIVISION ACTIVITY: COOS COUNTY STUDY AREA

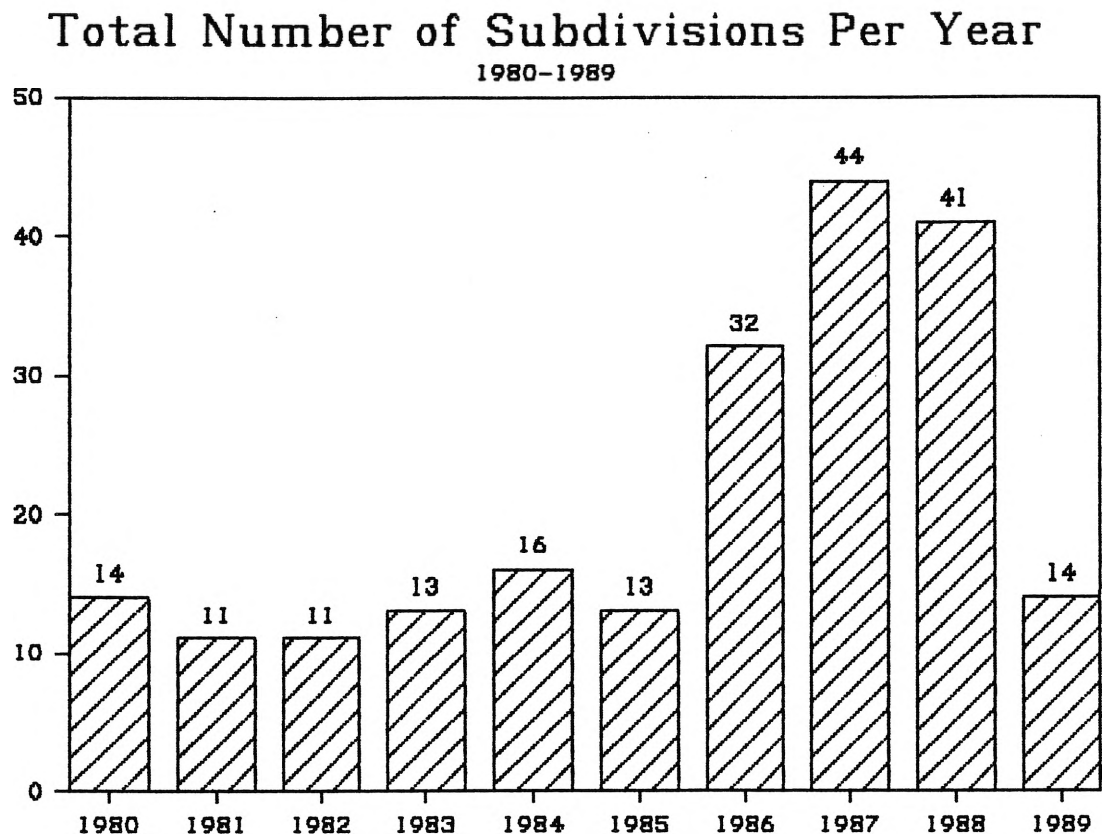
Within the eleven town study area, information of primary importance was the number of subdivisions, the acres they covered, and the lots created. The rate of sell-out and build-out on a sample of projects in our three primary study towns was also attained.

Three years during the study period, 1986 through 1988 stand out as particularly active. These years account for 90% of the projects created during the ten year study period (Figure 3). Similarly, in acres subdivided and lots created this period accounts for 62% and 66% respectively (Figures 4 & 5).

The number of subdivisions per town varied widely within the study area with Whitefield topping the list at 49 (Figure 6). While Pittsburg ranked fifth in the number of subdivisions created, it topped the list in both number of acres subdivided at 2,595 and lots created at 374 (Figures 7 & 8). This is in keeping with the county-wide perception of explosive growth in town in the last decade. In the town of Errol, one of the two subdivisions

coos: 12

Figure 3

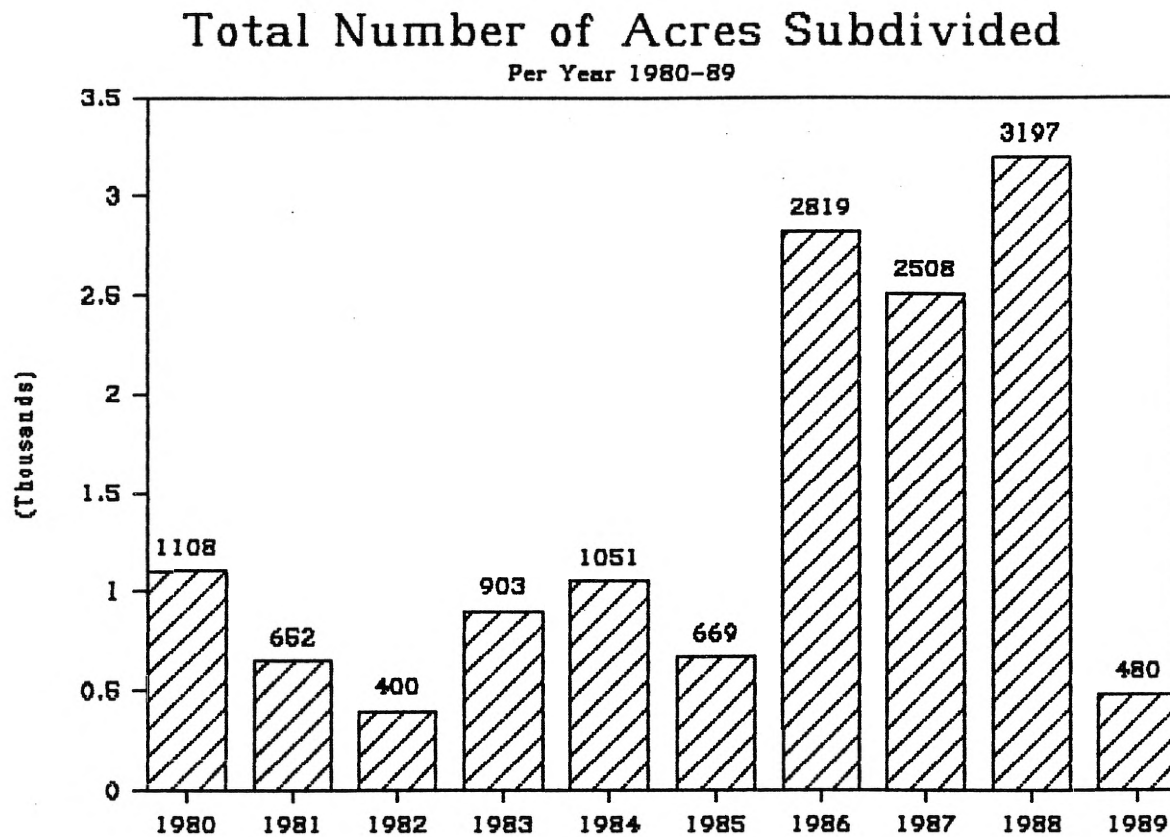


Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

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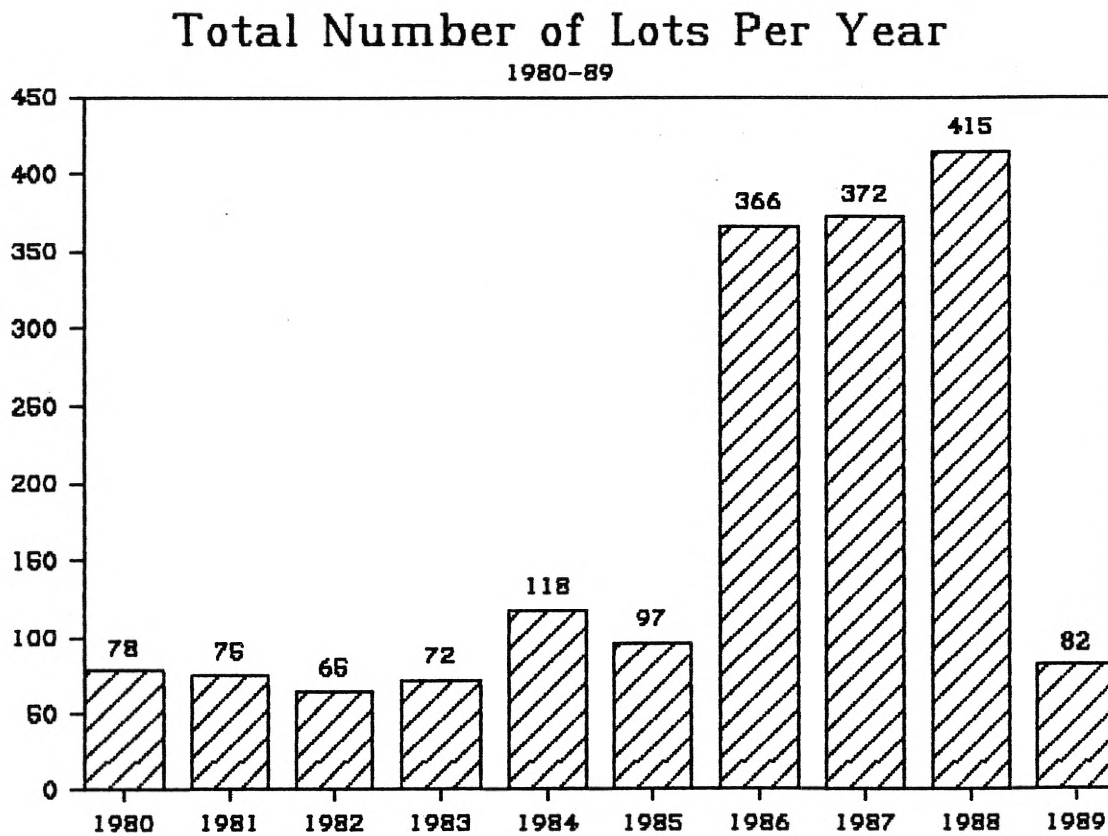
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Figure 4



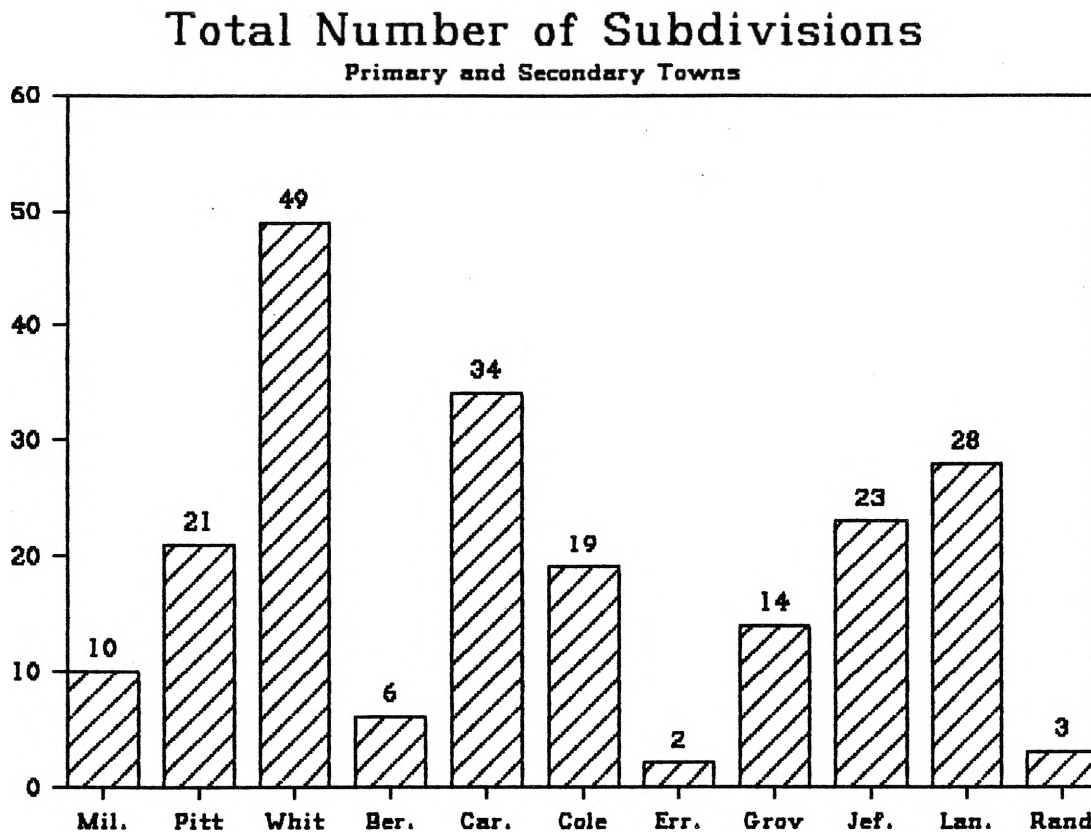
Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

Figure 5



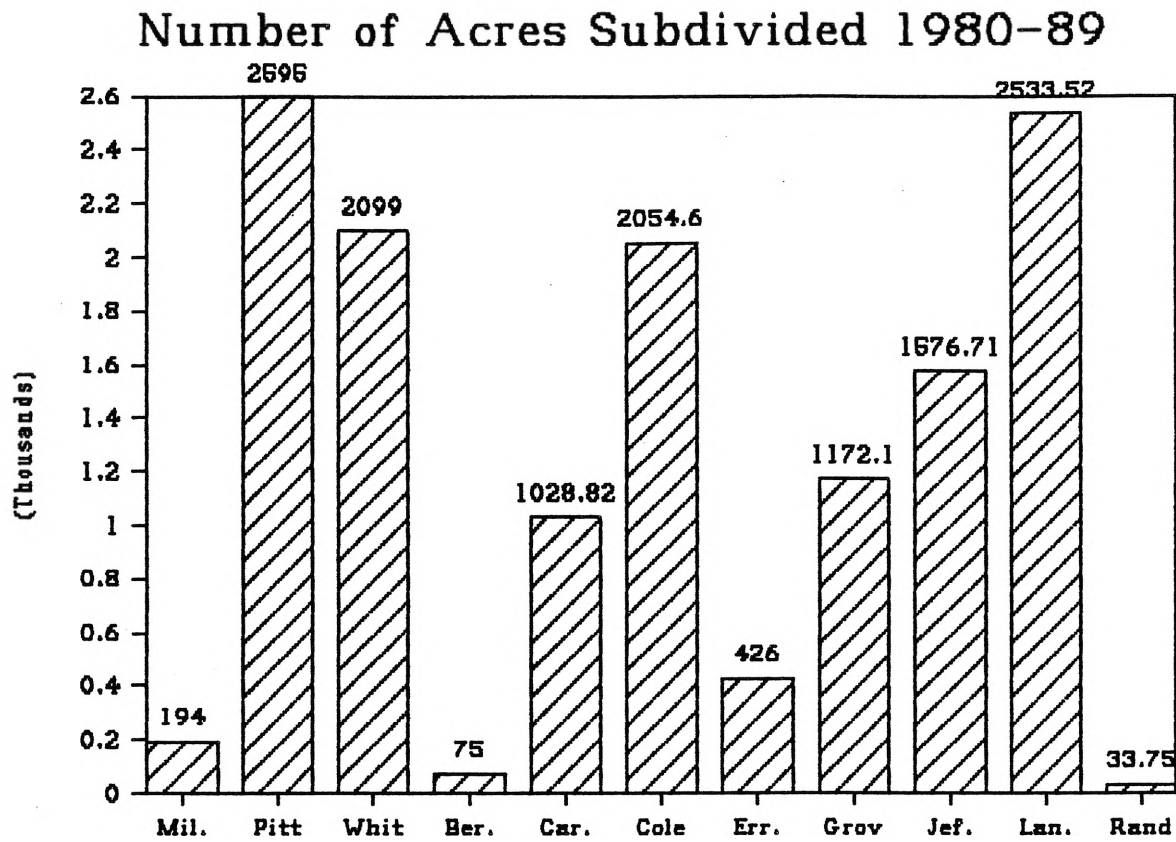
Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

Figure 6



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

Figure 7

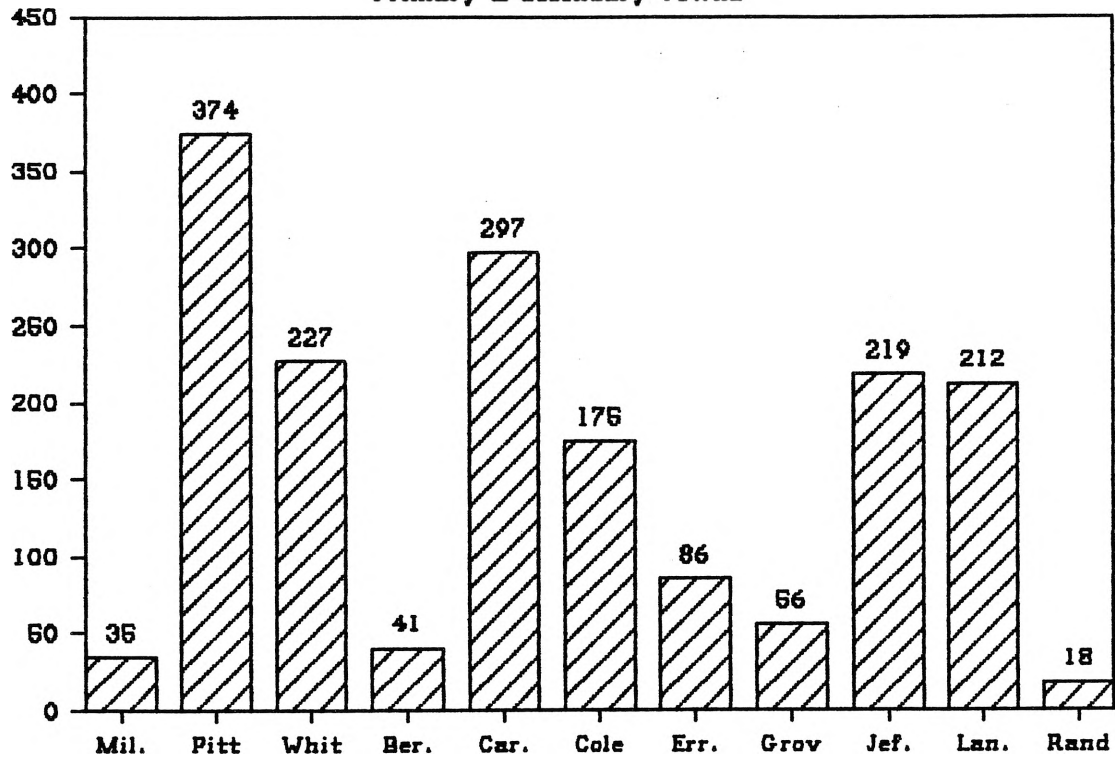


Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

Figure 8

Number of Lots Created 1980-89

Primary & Secondary Towns



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

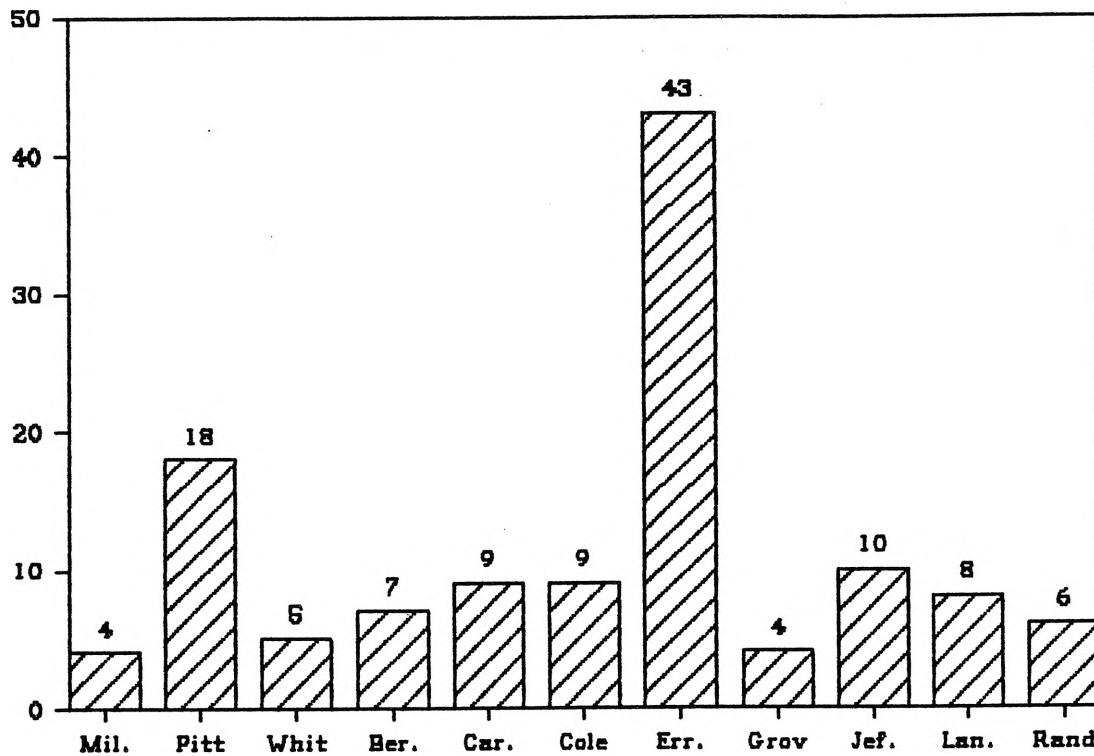
created had 69 lots, making its average number of lots per subdivision 43, far different from the study area average of 13 (Figure 9). A trend toward smaller lot sizes in more highly populated towns, and larger lots in less populated areas was largely the case in our study. While the average lot size around the study area was just under 8 acres, the towns of Lancaster, Groveton, and Colebrook combined, had an average lot size of nearly 15 acres (Figure 10). In each of these towns, a single land development company was particularly active.

Within our primary study towns the rate of lot sales and build out has lagged lot creation by substantial margins. Only 11% of the lots created have sold and 6% have had a structure built (Figure 11). The year with the highest number of unsold, undeveloped lots is 1985. Surprisingly, 1987 has the highest percentage of lots sold and developed (Figure 12).

The town of Whitefield had the largest percentage of non-industrial private forest land subdivided during the study period in our three primary study towns. This can be explained by the combination of a large number of acres subdivided and little forest industry ownership in town. Across the study area towns, 1.9% of the total acreage was subdivided, as were 6.2% of non-industrial private forested acres. Table 3 provides detail on these percentages.

Figure 9

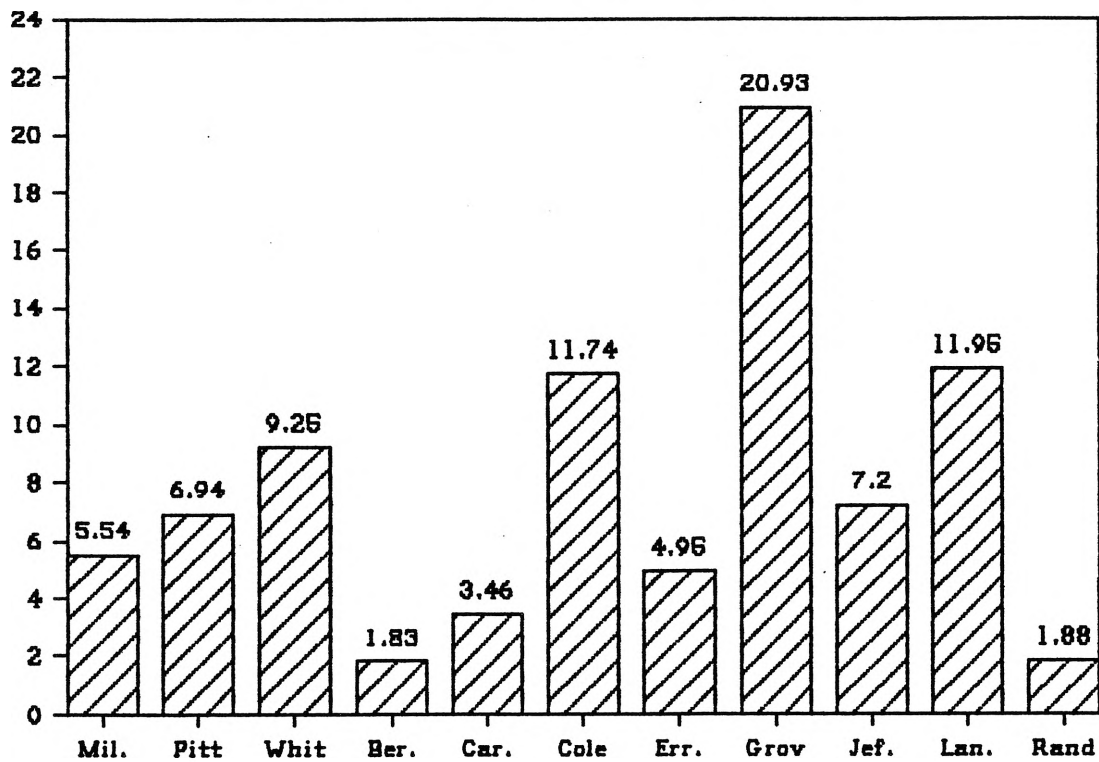
Number of Lots Per Subdivision 1980-89



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

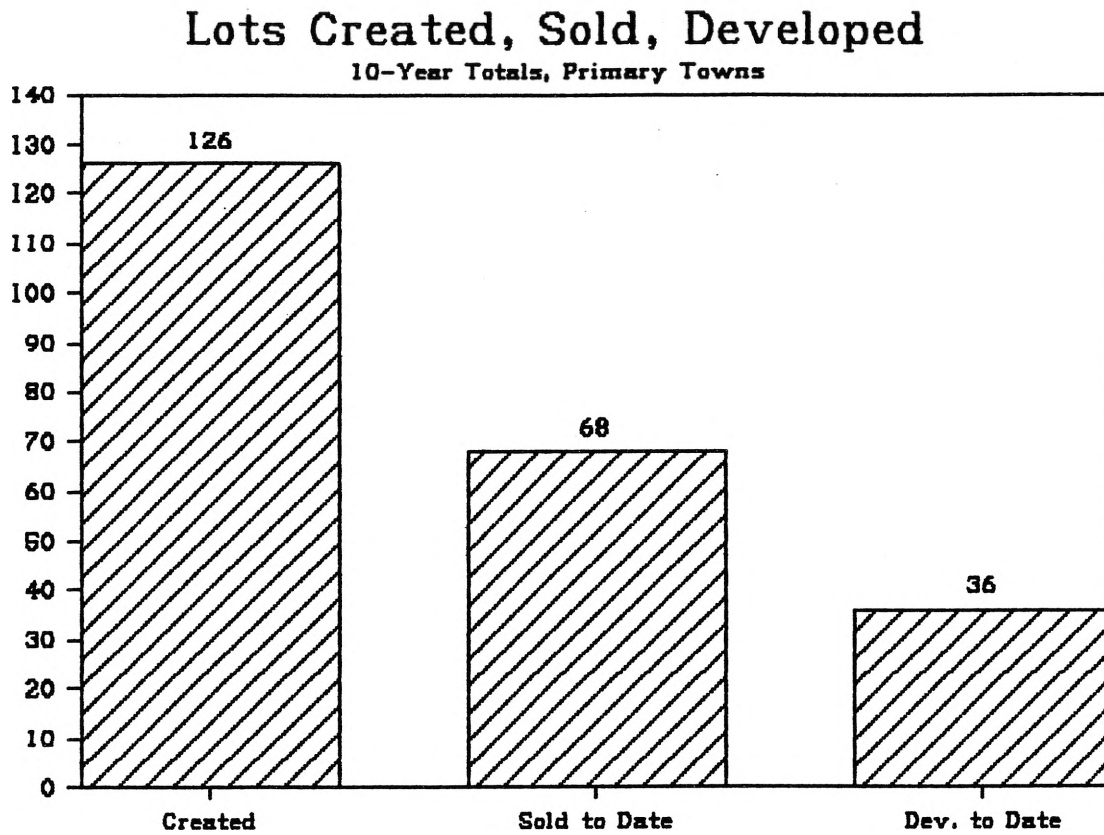
Figure 10

Average Lot Size 1980-89



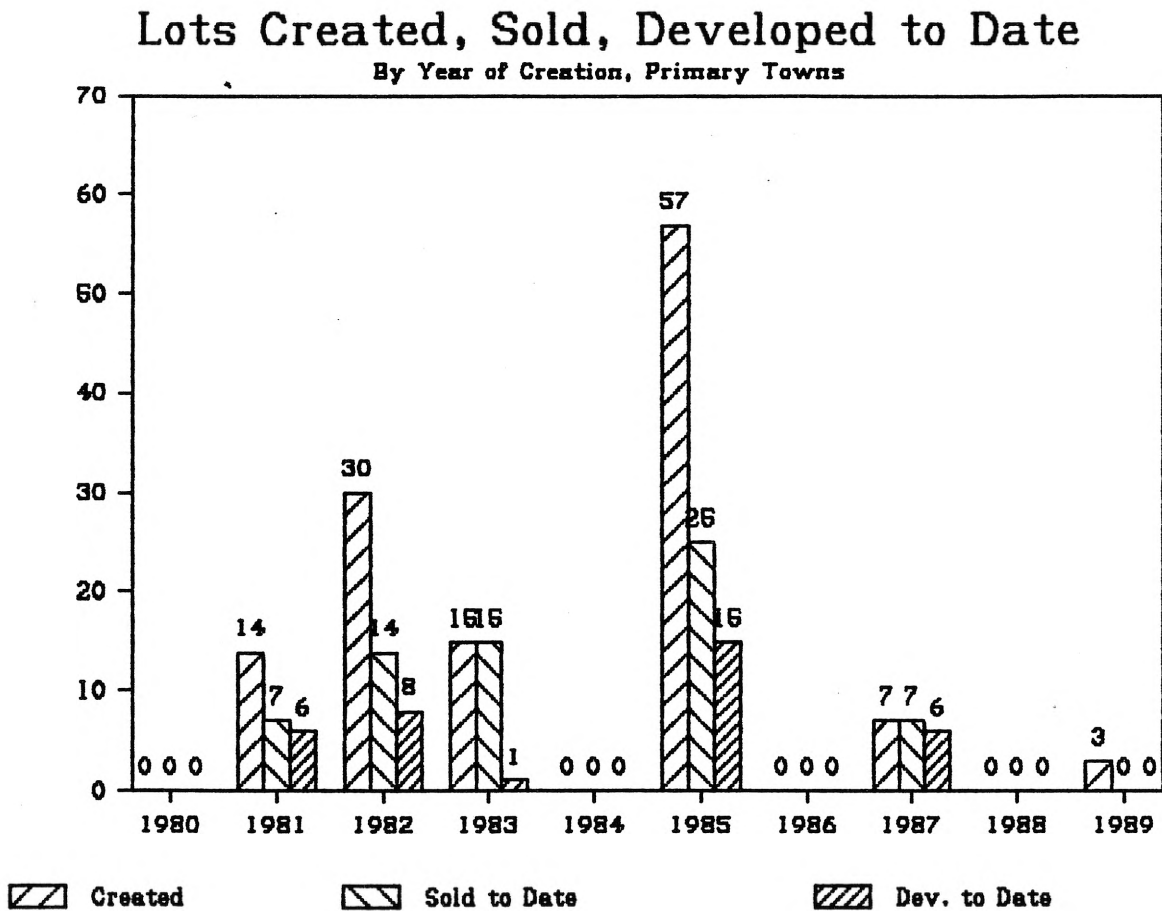
Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

Figure 11



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

Figure 12



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

Table 3
Subdivision Activity by Ownership Type

	<u>Whitefield</u>	<u>Milan</u>	<u>Pittsburg</u>	<u>Entire Area</u>
Total Acres in Town	21,760	41,920	184,832	248,512
Industrial Forest Ownership	1,542	8,772	153,200	163,514
Public/Conservation Reserved Acreage	1,833	967	3,896	6,696
Total	3,375	9,739	157,096	170,210
Non-Industrial Private Acreage	18,385	32,181	27,736	78,302
Acres Subdivided 1980's	2,099	194	2,595	4,888
Acres Subdivided as % of Town Total	9.7%	0.4%	1.4%	1.9%
Acres Subdivided as % of Non-Industrial Private	11.4%	0.6%	9.4%	6.2%

6 PRIMARY STUDY TOWN DESCRIPTIONS

6.1 WHITEFIELD

6.1.1 Town Description/Location

Whitefield is situated in southwestern Coos County and directly south of Lancaster, the county seat. The town receives a considerable traffic flow as the intersection of State Route 3, a major road to Canada, and County Route 116. Total land area is 34 square miles. Water bodies in town consist of the Johns River, Burns Pond, and Forest and Mirror Lakes. In total, these cover an additional 0.6 square miles. There is no publicly owned forest acreage. James River corporation owns 1,542 acres, making it the largest single largest landowner. Lands formerly owned by Diamond International, but retained by the original buyer total 951. The only land in town formally reserved from development are 1,500 acres owned by the Audubon Society and a 333 acre conservation easement established in 1989. According to the 1988 town tax cards identifying current use status of town acreage, 53% is forest land, 21% undeveloped, 17% residential, 3% agricultural, 2% commercial or industrial, and 4% was set aside from development by public ownership or conservation easements.

Whitefield has been active with sawmills since the mid 1800's, with a condensed milk factory and tannery also prominent in the past. Its assets now split between Boise Cascade and James River, the Brown Paper Company began in

Whitefield as a lumber mill in 1864. The founders of the mill settled on Whitefield after recognizing the vast forest resource of Coos County. A railroad was built shortly after the mill itself, to bring wood to the mill from around the county and take lumber to markets in Portland, Boston, and New York.

The 1950's and 60's witnessed a decline in population as young residents chose to leave the town for brighter employment prospects in the more urban areas to the south. In the mid 60's the population in town dipped to approximately 1,200, but by 1970 the town rebounded to 1538 inhabitants. Whitefield's population growth of 3% is the lowest among the three primary study towns between 1980 and 1989.

Of the three primary study towns, Whitefield clearly has the largest employment base. Manufacturing facilities include a sawmill, knitting mill, and furniture plant. Town businesses include a number of grocery stores, gas stations, a fuel oil dealer, several realtors, a lumberyard, and a variety of specialty shops. Beginning in the late 1800's, Whitefield was home to a number of grand hotels, with 100 or more guest rooms. News of these establishments lapsing into disrepair and going up for sale or auction has been common in the past few years, and few remain in business at this point.

6.1.2 Town Government

Town government is of the town meeting type with three selectmen and a seven member planning board. Whitefield's first planning board was established in 1967, the same year that an airport zoning ordinance was established. The first master plan for the town of Whitefield was produced in 1970 as a part of the 'Coos 6 Project'. It served the purpose for five neighboring towns as well. A new version for Whitefield alone should be ready by September of 1989. In the new document, planning board members have identified the importance of open space to the character of the town and suggested that cluster development might be the most appropriate form of housing growth in the future. The town has no zoning in place at present, but intends to reintroduce the idea following the release of the master plan. The idea was voted down by the town in 1982. Subdivision regulations were established in 1972 and amended in 1983. Neither building permits nor site plan reviews are required.

A copy of the present subdivision regulations in Whitefield is included as an appendix to this report.

6.1.3 Subdivision Activity

The 1970's and 1980's have both been very active decades for subdivision activity in Whitefield. During the 1980's 11.4% of the acreage in town unprotected from subdivision by type of ownership or conservation easements was

subdivided. These 2,099 acres represent 9.7% of the total area in town. The majority of activity has been in one and two lot subdivisions, fully 71% of those created between 1970 and 1987. Projects have been created by people living locally or in southern New Hampshire, not land development companies from out of state. There have been three projects created with waterfront lots or common access to water, but the majority have neither. Subdivision prior to our 1980-1989 study period was responsible for those waterfront lots that were created. According to a representative of the town planning board, attraction to this town has been largely speculative for parcel and lot resale. The purchase and resubdivision of lots from previous projects has also been a common practice in the past ten years. Figure 13 provides the layout of present lot ownership in town.

Two projects of note were created on the shore of Mirror Lake and beside the municipal airport. At the airport, a parcel was purchased in an area the town had identified as future runway space, being in the glide path of the airport's present operation. When the subdivider made the lots available as residential building sites, the town sued to block the sales. Despite the existence of airport zoning, there was no commission to enforce the rules. When the issue was referred to the planning board, nothing could be done with no zoning town wide. The town then lost the suit with the judge citing inverse condemnation, and that the town had not purchased the parcel for its runway expansion when it was originally made available.

Figure 13

Map of Lot Ownership - Whitefield, 1988

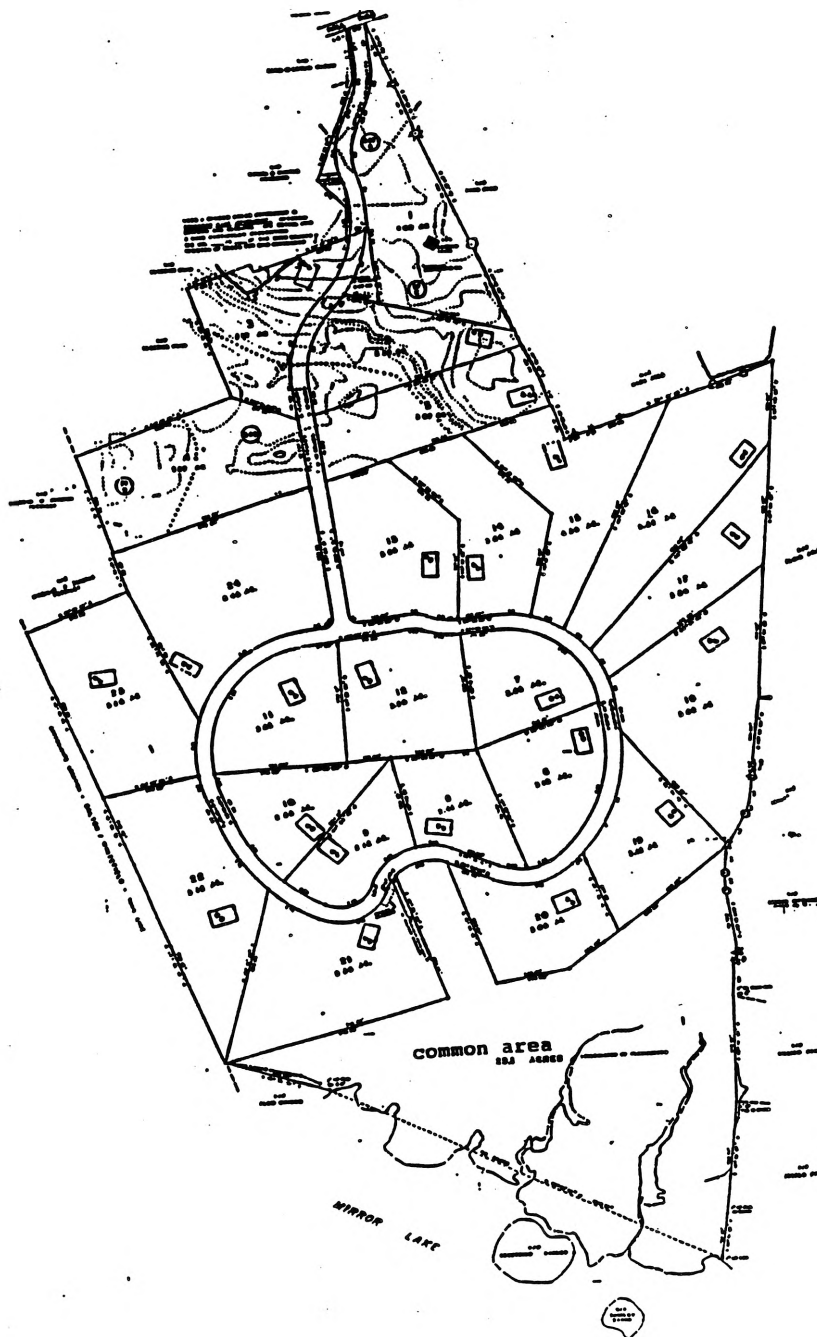


The project created at Mirror Lake has been controversial from its start due to the inclusion of wetlands along the lakeshore in the project. A lot of 26 acres was set aside as common area for those buying lots in the development. A boardwalk was built over it to allow access to the lake. Originally approved in 1988 as sites for homes in the \$200,000 market, no lots have sold to the present date. In the past year, a Maine builder and developer has become involved and intends to construct modular homes aimed at a much more modest market. A plat map of this project is included as Figure 14 to provide the overall layout.

Table 4
Activity During the Study Period
January 1980 - July 1989

Number of Subdivisions	49
Number of Acres Subdivided	2099
Number of Lots Created	227
Average Lot Size--Acres	9
Average Lots Per Subdivision	5
Population Change: 1980-87	3%
Building Permits Issued	100

Figure 14
Mirror Lake Associates Subdivision Plat Map



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6.2 MILAN

6.2.1 Town Description/Location

The town of Milan borders Berlin, the largest population center in the county. In total, the town covers 66.4 square miles, 0.9 of which is water. The largest landowner in town is James River Corporation with 7,727 acres. The second largest ownership is also in commercial forestland at 1,045 acres. Town ownership is limited to 686 acres on several parcels. The State of New Hampshire owns a total of 281 acres between land acquired from Diamond International in 1988 and Milan Hill State Park. With no conservation easements or similarly reserved land, the total area unavailable for subdivision is 967 acres or just over two percent of the town.

Traveling north of Berlin on Route 16, one reaches Milan passing the only manufacturing employer in the town: a dimension sawmill employing approximately 30. The only store in town is a combination grocery and luncheonette. Two commercial campgrounds and the Berlin Municipal Airport are also located in Milan.

The village is located along the Androscoggin River which also follows Route 16. Heading west in town, the topography rises considerably to wooded hillsides where Milan Hill State Park is located. Two substantial farms remain in operation in Milan today, one raising potatoes, the other a dairy farm. Milan now serves more as a residential area for those employed in

businesses in nearby Berlin, especially the James River paper mill.

6.2.2 Town Government

The present town government is of the town meeting type with three selectmen. Subdivision regulations were created in 1974 when a three person planning board was in place. Zoning, and the current eight member planning board were established in 1978.

6.2.3 Subdivision Activity

There have been no subdivisions along the Androscoggin River in Milan during, or prior to 1989. The only waterfront subdivision in town was done in the 1960's, creating lots of 5,000 square feet around Cedar Pond.

Of the 9,739 acres in town unprotected from subdivision, 0.6% was subdivided during the 1980's. These subdivided acres represent 0.4% of the total acres in town.

Subdivision activity during the 1980's has been confined to parcel sales by local residents. Only one project was proposed by an out of state land developer during the study period. After this project was turned down, activity by other than local private developers came to an end. The year with the most projects created during the study period was 1988 with seven. The four projects pending approval as of June 1989, include 22 lots on 184 acres, are enough to make this the second most active year for the town if these receive approval as submitted. At present, the town planning board is facing its

greatest problems in access to subdivisions being created on back lots.

Of particular concern to many long time Milan residents, is the possibility that a farm of approximately 100 acres in town will soon be made available for development. The property lies just south of Milan village with road frontage on both sides of Route 16. The present owner farmed the property for many years, but has recently begun building a retirement home in a nearby town. Although there are children in the family who might retain the property, none has shown an interest in maintaining it as a farm.

Table 5
Milan Activity During the Study Period
January 1980 - July 1989

Number of Subdivisions	10
Number of Acres Subdivided	194
Number of Lots Created	35
Average Lot Size--Acres	6
Average Lots Per Subdivision	4
Population Change: 1980-87	15%
Building Permits Issued	75

6.3 PITTSBURG

6.3.1 Town Description/Location

Bordered by Quebec on the north and west, and Maine on the east, Pittsburg is the northernmost town in the state. Dominated by the three Connecticut Lakes and Lake Francis, Pittsburg is recognized as the largest town east of the Mississippi River. The town covers 296.8 square miles, fully 8 of which are accounted for by the lakes. A large percentage of the town is industrial forestland. Champion International with 144,000 acres is the largest single landowner. Boise Cascade owns 1,200 acres and a local land management firm owns another 8,000.

Acreage which is protected from future development consists of a 100 acre town farm, approximately 1,570 acres of state ownership, 426 acres owned by The Nature Conservancy, 200 acres belonging to the Society for The Protection of New Hampshire Forests, and nearly all of a 1,600 acre family farm whose development rights have been acquired by the Trust for New Hampshire Lands. These parcels total roughly 3,896 acres, approximately 2% of the land area in town.

The village is small, located at the southern end of Lake Francis and borders the Connecticut River. In total there are four gas stations, nine restaurants, and a variety of commercial camps and campgrounds. Two state owned and three privately owned campgrounds operate in town, along with six-

teen businesses offering commercial camps or cabins for rental. Of the seven stores in town, all are groceries or gift shops, save one plumbing supply business which is connected to one of the gift shops. There are no manufacturing facilities in Pittsburg. With a business composition like this, it is plain that the town relies heavily on its tourist trade.

6.3.2 Town Government

Local government is handled through town meetings and the work of three selectmen. A seven member planning board was established in 1986 and subdivision regulations were enacted in March of 1988. A copy of the application for a major subdivision in Pittsburg is included as an appendix to this report.

6.3.3 Subdivision Activity

The town of Pittsburg is recognized in the county as one in which subdivision has been almost explosive in the past decade. Despite this perception, the 4,888 acres subdivided during the 1980's represent only 1.4% of the total acres in town. A more significant number is that those acres subdivided occupy 9.4% of the land in town unprotected from subdivision by form of ownership. Prior to the late 1960's there were no realtors in town, today there are four. The first agency to establish itself in Pittsburg has played an important role in the local subdivision activity, partly with the aid of financial assistance from companies outside the area. The village has experienced considerable growth in the past decade and just completed the construc-

tion of a municipal sewage system. Its present capacity is for approximately 107 homes and is now serving 75 homes plus the combination elementary and high school.

Due to the large percentage of industrial forest ownership and control of the lakes for power generation, subdivision activity has been largely limited to available acreage around the village. Of the 21 subdivisions created in Pittsburg during the study period, six have water frontage, 12 road frontage, and 11 have views of the lakes or valleys as primary attractions. Two projects were created on what town residents consider prime farmland. The shorefronts of both the first and second Connecticut Lakes are owned by New England Power, allowing them to control the water levels for power generation. A total of two lease lots have been allowed on these lakes, having been established many years ago. One is still privately occupied and the other has been used by New Hampshire Fish and Game Department, but sits idle now. Champion International established twenty eight lease lots in 1974 around Second Connecticut Lake, none of which have water frontage. These lots are all under five acres in size, thus requiring approval through the state subdivision application process.

With this prime shorefront unavailable, the land which rises steeply from the lakes provides some of the most attractive sites for subdivision. One project in particular has taken advantage of this location. Created by a resident of nearby Groveton, this is a development of 14 lots on 86 acres, one

of three this individual has done in Pittsburg during the 1980's. The single most active subdivider in Pittsburg is the first Realtor to become established in town. With five projects covering 923 acres and 152 lots, this firm has had a large part in shaping the present town of Pittsburg. During the study period, there have been four subdivisions, ranging in size from 100 to 400 acres, created by the only out of state land development firm active in Pittsburg.

The other major water body in Pittsburg, Lake Francis, lies just west of the village. It is dammed for power generation and the New Hampshire Water Resource Board maintains ownership of the shorefront. At present there are forty lease lots around the lake which are being considered for sale by the water board. Selectmen in Pittsburg oppose the sale of those lots while the neighboring town of Clarksville, in which a large portion of the lake lies, is in favor of the sale in hopes of expanding it's tax base.

Table 6
Pittsburg Activity During the Study Period

Number of Subdivisions	21
Number of Acres Subdivided	2595
Number of Lots Created	374
Average Lot Size--Acres	7
Average Lots Per Subdivision	18
Population Change: 1980-87	27
Building Permits Issued	135

7 SECONDARY STUDY TOWN DESCRIPTIONS

In choosing the eight general study towns we sought to get a representation of activity throughout the county. We chose both the population centers in the county and the smaller towns, more likely to have forest land being subdivided. There were seven towns with populations greater than 1,000 people according to the 1985 State Planning Office estimate. Whitefield and Milan qualify on this count and have already been included as primary study towns. Of the balance, only Gorham has been left out of the study due to primary data being unavailable.

Contrary to our expectations, the second most populated town in the county in 1985, Lancaster, was also the secondary study town in which the most acres were subdivided. The average lot size of nearly twelve acres was nearly double that found across the study area.

The town of Berlin is the largest population center in the County, and had few subdivisions during the study period as might be expected. The six subdivisions that were created during the study period encompassed only 75 acres. The population of Berlin peaked in 1930 at 20,018 residents, declining each decade since to 13,084 in 1980. Although the State Planning Office population estimate for 1987 shows a drop of nearly 8% since the 1980 survey, there is some indication that the population may be on the rise again in the late 80's. A separate report by the state planning office forecasts a steady

increase in the town population beginning in 1990, and the total reaching 14,584 by the year 2010.

Of particular note is the town of Errol, decidedly small with an estimated population of 257 in 1985. Nearly 12% of the area in town is water covered. This provides a great deal of water frontage, and a seemingly ideal place for subdivision activity. In fact, the town has seen only two subdivisions created during the study period, one in 1985 and the other in 1989. The latter is a project of 69 lots ranging in size from 1 to 5 acres, totaling 380 acres. The subdivider has owned the property for greater than ten years and has the support of townspeople in creating a project that compliments the town, rather than detracting from it's rural nature. Figure 15 is a plat map of this project as approved.

Subdivision activity in the town of Carroll, or Twin Mountain as it is alternately called, has been focused around Bretton Woods Ski area. A great deal of activity occurred in 1988 when the ski area was finally divided and sold to investors after having gone bankrupt in 1974. Serving as a gauge of the level of development, the number of residential tax bills prepared by the town office was 380 in 1980 and an even 1000 in 1988. As expected, a large percentage of this development has been in the form of condominiums.

The town of Colebrook is recognized as a business and population center in the north country. This town had the third most acres subdivided during the study period. Unlike many of the other towns studied, land development

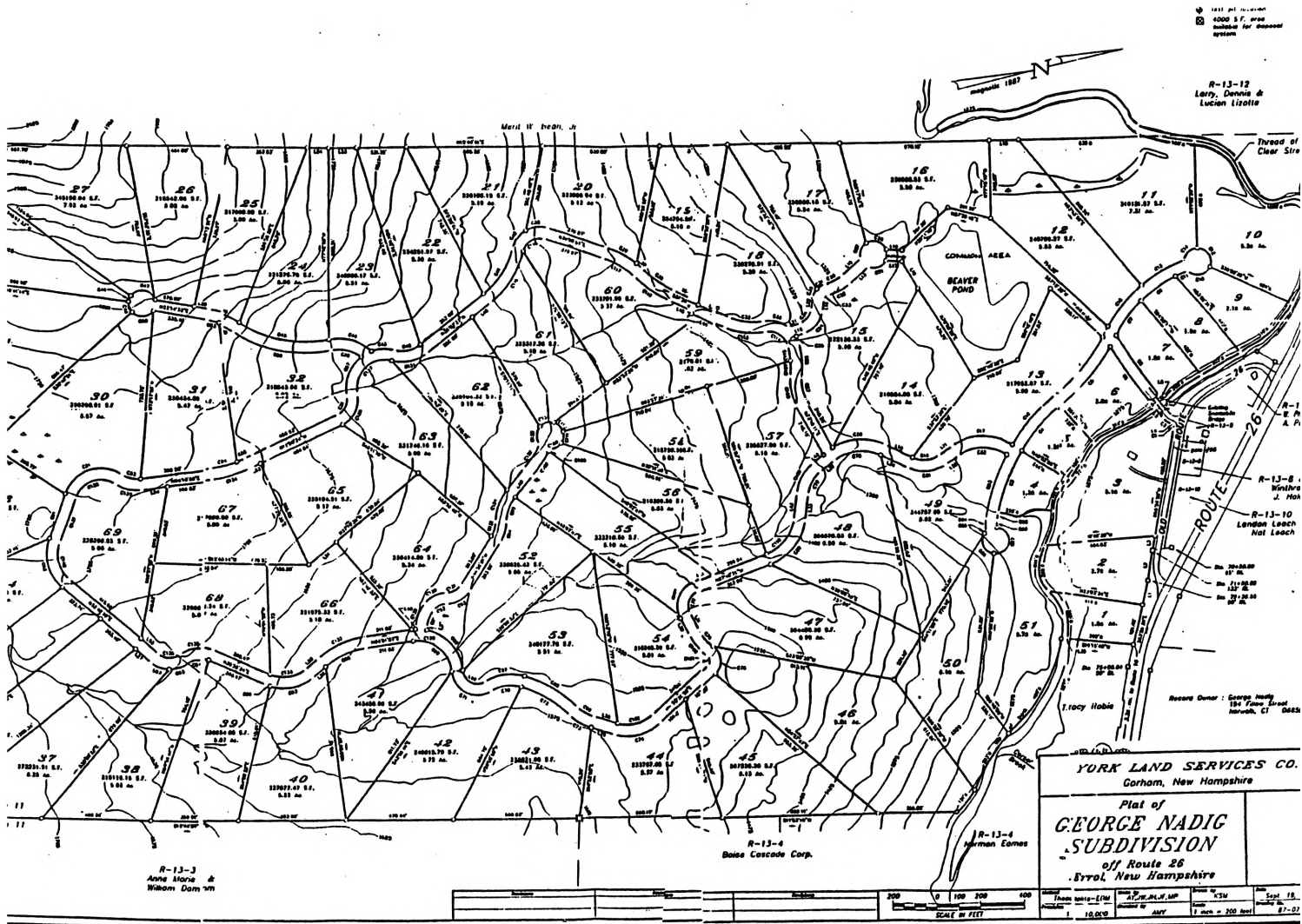
coos: 40

companies were important in subdividing the town of Colebrook. Of the 19 subdivisions created between 1980 and 1989, ten were created by companies primarily involved in the business of land development. Like the other towns studied, several of the individuals doing projects were responsible for a number of developments each.

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Figure 15
Hampshire Woods Subdivision - Errol



NORTHERN FOREST LANDS STUDY

August 31, 1989

CASE STUDY

Orleans County, Vermont

Prepared By

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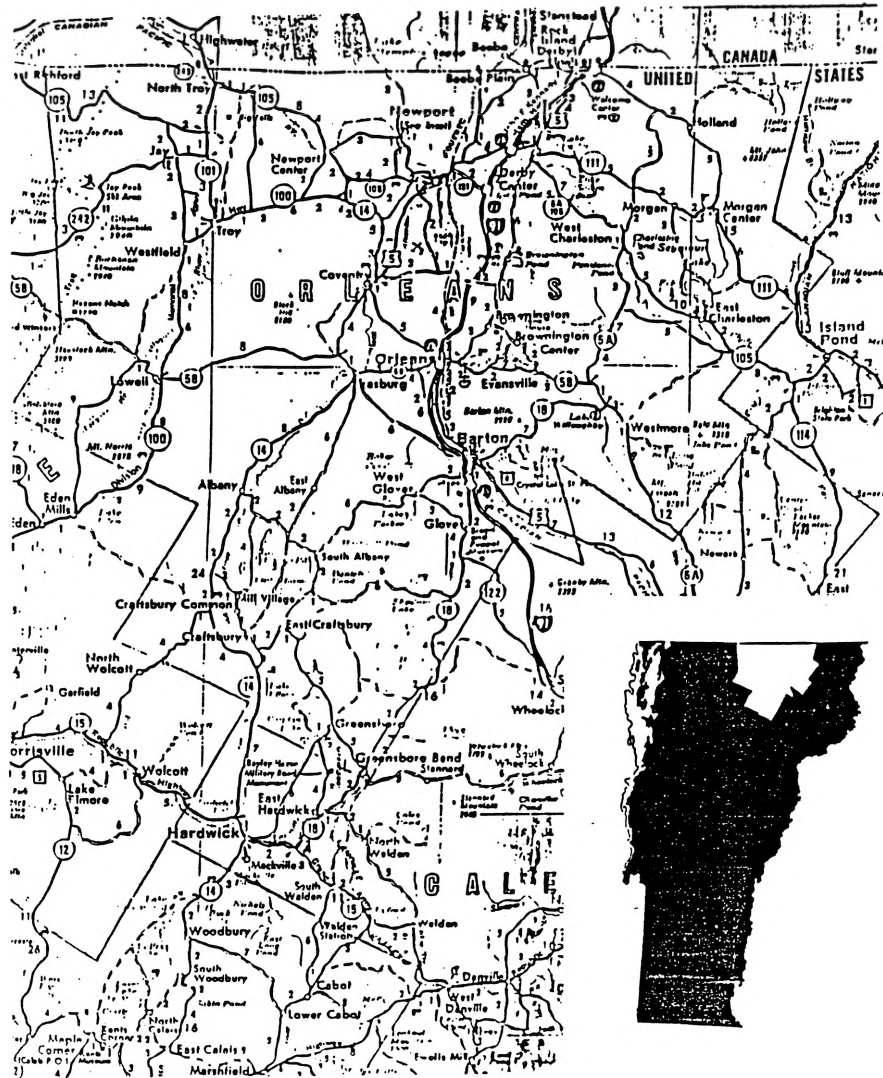
1 INTRODUCTION

The Northeast Kingdom occupies the northeast corner of Vermont and contains the state's most rural and isolated counties: Orleans, Caledonia, and Essex (see Figure 1). Combined, these three counties occupy about 20% of the state's area yet contain only a tenth of the state's population. The eastern portion is heavily wooded with much of the work force employed in the wood products industry. The western portion, including most of Orleans County is dependent on wood products and farming. In general, these counties have seen slower growth in most sectors compared to the state as a whole, though a number of recent factors suggest the benefits of a strong New England economy may be spilling into certain areas. Orleans County is in a good position to reap its share of these benefits. It boasts an array of natural amenities, relatively low real estate prices, an abundant work force, and good access to the interstate highway system.

This study examines activity in the real estate sector. In particular, it attempts to survey and interpret the level of subdivision activity in three towns: Albany, Barton, and Derby. The towns were chosen to represent a cross section of typical towns in the region. Albany is a fairly remote, mid-sized town with no particular population-drawing attraction except its remoteness and its pastoral setting, yet it had one of the highest population growth rates in the county. Barton is somewhat larger, has a mid-sized lake and a

Figure 1

Map of the Study Area



state park, and is located along the interstate; yet Barton has seen consistent, though small, declines in population. Finally Derby is one of few towns in the county showing notable economic growth. Along with neighboring Newport, it forms the population and commercial center of the region.

This report continues with an overview of the salient findings, then discusses the characteristics and activity of each town in detail, and concludes with a discussion of the trends identified, in the context of the local region.

2 OVERVIEW OF FINDINGS

For the first half of the present decade, Orleans County growth in population and housing was the slowest in the state. Recently however, many economic sectors are experiencing a surge.

Over 3 times the number of subdivision lots were created in the last four years, compared with the first five years of the decade. Much of the activity is occurring in the Newport/Derby area, the regional center for population and commerce.

Dairy farming is a major industry in Orleans County and a large proportion of the land being subdivided has been owned and often has been developed by farmers. Of the 5600 acres of subdivided land studied, approximately 42% was commercial forestland. The balance is mostly field, cropland, and pasture.

The impact of state subdivision regulations is evident. Most subdivisions contain a small number of 10-acre plus lots and are often designed to avoid state review. Town-level land-use controls are minimal though many towns are working on land-use plans and zoning ordinances. There is also a fairly well-organized, vocal minority that is strongly opposed to any restrictions on individual property rights.

Most real estate professionals interviewed feel that local property

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activity is closely tied to economic cycles in the New England region and that as much as half of the demand may be nonresident. Softening real estate markets in Connecticut and Massachusetts are already affecting local activity.

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3 DESCRIPTIONS OF TOWN CHARACTERISTICS AND SUBDIVISION ACTIVITY

3.1 ALBANY

3.1.1 Physical Characteristics and Land Use

Albany is located in the southwestern part of Orleans County. The main thoroughfare, Route 14, runs roughly north-south as it follows the Black River. Interstate 91 and Newport/Derby (combined pop. 10,000) are less than a half hour's drive to the north. Along the highway and close to the town's southwest corner lies the main village. West of Route 14, the terrain is steep and the land is mostly wooded as it rises up to the nearby Lowell Mountains (2200-2600 feet). Except near the highway, this area is lightly settled. To the east, the land rises from the valley to a rolling topography and a mix of land uses that is typical of the region: small villages, woods, fields, wetlands, and ponds. The more open character provides many stunning views of the archetypical New England working landscape. Settlement in this area is light and somewhat clustered around the three small villages.

3.1.2 Demographic and Economic Characteristics

It seems likely that to some extent these landscape features may be responsible for Albany's recent growth. At 12.2%, the town had the second highest population growth rate in the county between 1980 and 1986. However, some townspeople seem to feel that the town's main attraction has been its affordability; many newcomers simply couldn't afford to live in the more

desirable or more accessible surrounding towns. The average home price noted in the above chart reflects an increasing number of mobile homes. Furthermore, development here is uncomplicated by regulations: the town has neither a town plan nor zoning regulations and continues to show strong opposition to Vermont's new planning law, Act 200.

Apart from farming, there is little "industry" located in town and the majority of the workforce commutes to area jobs. According to 1980 census figures, one of every three local workers was employed in "farming, fishing, or forestry."

Recent data underscores the current situation:

Since 1985, the number of annual property transfers has risen steadily, from 30 in 1984-1985 to 84 in 1988-1989.

Over that same period of time the estimated market value of all property in the town has risen by 25%, with only moderate increases in new construction.

Property taxes have risen approximately 20% in four years. With a growing school population and a relatively small tax base, the town is likely to see continued upward pressure on property taxes.

3.1.3 Subdivision Activity

Subdivision activity in Albany has been moderate over the last ten years. As Table 1 shows 69 lots were created in 8 subdivisions encompassing 1680

acres. Approximately 64% of this area was commercial forestland.

Figure 2 shows there was little subdivision activity in the early eighties, though there was one notable project in the late seventies. Over 1300 acres was divided into 50 lots, mostly 10 to 50 acres in size. As of June 1989, approximately 15 lots and 1000 acres have been sold (five of these 15 lots have sold since January, 1987, including one parcel of 447 acres). Few new homes have been built on these lots.

Seven of the 8 projects and nearly two thirds of the lots were created in the last three years, though fewer than half of these lots have been sold. The average lot size seems to vary widely from project to project. The greatest number of lots were in the 10-39 acre class but larger (>50 acre) lots were not uncommon.

In general, the subdivision designs reflect the influence of state subdivision regulations (See Appendix B). Because almost all lots were greater than 10 acres and most subdivisions were fewer than ten lots, only two subdivisions required permits.

Table 1
Albany, VT--Subdivision Activity Summary, Jan. 1980-June 1989

Acreage Totals

Total subdivided	1680 acres
Commercial forestland	1083 acres
Average parcel size	210 acres

Lot Totals

Number of subdivisions	8 projects
Number of lots created	69 lots
Average lot size	
(total acres/total lots)	24.3 acres/lot
Average lots per subdivision	8.6 lot
(lots/subdivisions)	subdivisions
Most common lot-size range	11-39 acres
Percentage of lots sold (6/1/89)	68%
Percentage of lots built on (6/1/89)	7.2%

Permit Totals

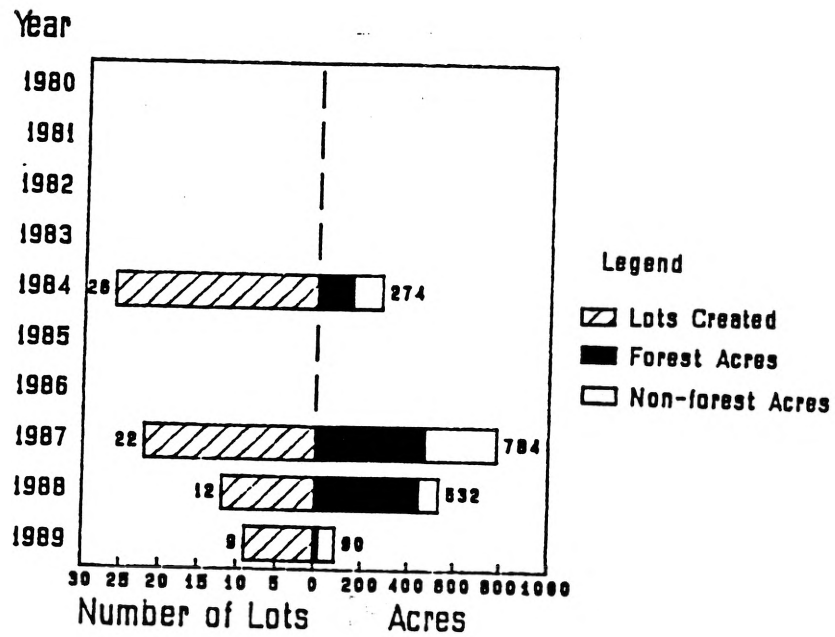
Proportion of subdivisions	
requiring permits	25%
Most common time interval for permit	
approval	4-6 months
Most common permit cost per lot	less than \$1000

Orleans: 10

Figure 2

Number of Lots Created and Acres Subdivided by Year

Albany, Vermont January 1980 - June 1989



August 31, 1989

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3.1.4 Subdivider Characteristics

75% of subdividers were private individuals living locally;

75% of subdividers were first-time subdividers;

Nearly all used local newspapers or realtors to sell lots;

75% owned the property for more than 10 years before subdividing and did not buy the property with the intention of subdividing.

A number of generalities emerge from the subdivider characteristics. Most were local owners, subdividing for the first time. Nearly all of these individuals had been farmers and most of the forestland has been cut over recently (in some cases clearcut).

Conversations with local individuals knowledgeable about the market confirm the convergence of two trends that help to explain the overall situation:

1) Farming is becoming less profitable and the town is losing farm operations. The reasons for this change are complex, though primarily economic.

2) The land market has "ripened." Individuals who have been holding land through the early part of the decade now face a strong demand and rising prices. It is estimated that at least half of this demand is for local housing and the other half is from non-local residents with investment interests.

3.2 BARTON

3.2.1 Physical Characteristics and Land Use

The town of Barton lies in central Orleans County, midway between the town of St. Johnsbury (26 miles to the south) and the Canadian border (22 miles north) along Interstate 91. The town has two distinct commercial centers: Barton Village in the west-central part of town and Orleans Village in the northern part (see map Appendix A). Both villages offer a range of basic community services and each is served by an interstate highway exit. Agricultural land predominates in the north and west, though as in most area communities, the number of farms is declining (average farm size has increased somewhat). The southern and eastern portions are more mountainous, predominantly wooded, and less densely settled. Crystal Lake (approx. 600 acres) in the south-central part of town, has its buildable shoreline developed to near-capacity with a mix of seasonal and year-round homes. Industrial development is currently concentrated in Orleans Village, however additional industrial land has been designated south of this village and will soon be occupied. The Canadian-Pacific railroad skirts both villages and is adjacent to the industrial park. Local land use is regulated by a town plan and zoning ordinance.

3.2.2 Economic and Demographic Characteristics

As of the 1980 census, the town of Barton was one of three "job centers" in Orleans county, that is, the number of jobs available within the community exceeded the resident workforce (the two other county towns with this distinction were Newport and Jay). The majority of these jobs are in Orleans Village provided by the Orleans Manufacturing, a division of Ethan Allen Furniture Company.

One measure of local prosperity, median adjusted gross income (MAGI), has risen moderately since 1980 and the town now ranks above the average for the county. Orleans' MAGI county rank moved up from 10th place in 1980 to 4th in 1985, while Barton moved from 13th to 11th place.

In spite of these positive indicators, records have shown a slight but consistent decline in population over the last 45 years. Town officials feel recent losses reflect changes in the town's substantial transient population; most feel that the permanent resident population is now growing slowly. Certainly there is no lack of growth in value or activity for local real estate. The ten-year record of property transfers in Figure 3 shows a strong rise and the local property assessors conveyed the following message in the Town's 1988 Annual Report:

As you are all aware, property in our area has skyrocketed, especially lakefront property, since the completion of the Interstate system. In 1980

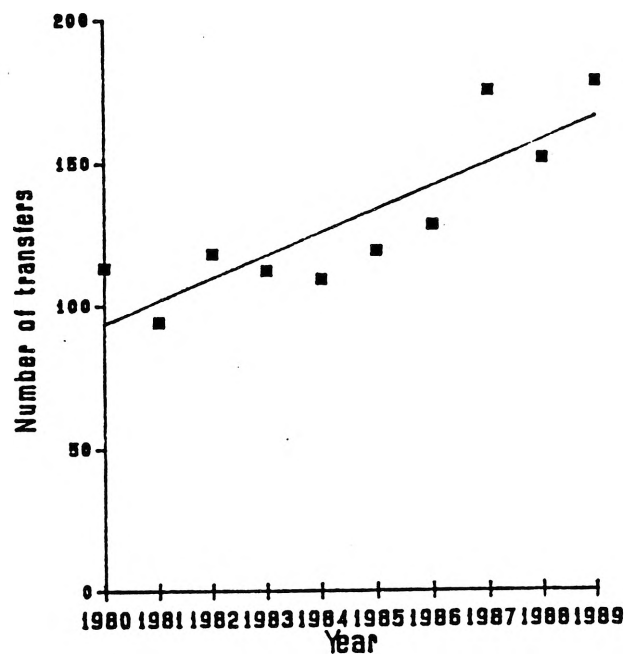
the Fair Market Value of property in the town was \$31,925,100.00. In 1988 this has grown to an estimated \$80 million. Some of this is due to new construction, but a major increase has come from an economic surge in property values.

3.2.3 Subdivision Activity

In spite of attractive access, improving economics, and abundant amenities, Barton has not seen a great deal of subdivision activity over the last ten years. A total of 74 unimproved residential lots were created in 9 subdivisions, encompassing 1455 acres (Table 2). Of this 65% (946 acres) was commercial forestland.

Orleans: 15

Figure 3
Annual Property Transfers, Barton
January 1980 - June 1989



August 31, 1989

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Table 2
Barton, VT--Subdivision Activity Summary, Jan. 1980-June 1989

Acreage Totals		
Total subdivided		1455 acres
Commercial forestland		946 acres
Average parcel size		162 acres
Lot Totals		
Number of subdivisions		9 projects
Number of lots created		74 lots
Average lot size		
(total acres/total lots)		19.7 acres/lot
Average lots per subdivision		8.2 lots/
(lots/subdivisions)		subdivision
Most common lot-size range		10-39 acres
Percentage of lots sold (6/1/89)		72%
Percentage of lots built on (6/1/89)		28%
Permit Totals		
Proportion of subdivisions		
requiring permits		22%
Most common time interval for permit		
approval		4 to 6 months
Most common permit cost per lot		\$1000 to \$5000

From a supply perspective, nearly three-quarters of the total number of lots were created in three years, 1985, 1986, and 1987, and there has been no new activity since then (Figure 4), though local sources stated that some new subdivisions are in the planning and permitting stages. Demand, however, has been more concentrated: to date, 53 of 74 lots have sold (72%), while 50% of those sales (27 lots) have occurred since January, 1987. More recently, local experts speculate that higher interest rates and reduced participation by nonlocal investors have softened the current demand somewhat and a variety of

Orleans: 17

lots remain unsold. In contrast to the two other towns studied, a relatively large proportion (28%) of the lots now support homes and a large majority of those house local residents. This is reflected in the population of students, estimated to be growing at 5% per year.

August 31, 1989

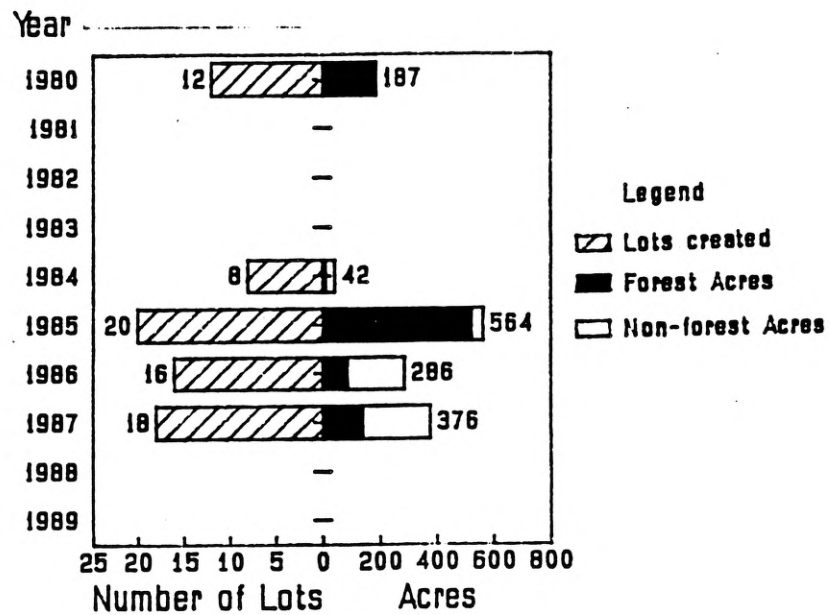
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Orleans: 18

Figure 4

Number of Lots Created & Acres Subdivided by Year

Barton, Vermont January 1980 - June 1989



August 31, 1989

....the irland group

3.2.4 Subdivider Characteristics

89% of subdividers were private individuals, 78% living locally;
67% of subdividers were first-time subdividers;
Nearly all used local newspapers or real estate agents to sell lots;
56% owned the property for less than 5 years before subdividing;
44% owned the property for greater than 10 years before subdividing;
56% did not buy the property with the intention of subdividing.

3.2.5 Grantor Characteristics

75% were local owners who had owned the property for more than 10 years and were selling their entire ownership; 50% were operating farms before the sale.

Lot sizes have been fairly consistent. They commonly have range between 10.1 and 39 acres and average close to 20 acres per lot. In keeping with the town's rural character, subdivisions generally contained fewer than 9 lots and, as a result, all but two of 9 projects avoided review under Vermont's statewide subdivision regulations.

Virtually all subdividers had close ties to the land they developed. All but one were private individuals or families and all but two were from the local area. Further evidence of the strength of the recent market comes from the fact that a majority of subdividers held the original parcel for fewer than 5 years before subdividing; most of those individuals commented that

subdivision was their original intent.

In those cases where the subdivider held the parcel for less than 5 years prior to subdivision, the person selling to the subdivider was also interviewed. Three of four of these grantors were also local owners. Two properties had been working farms before the sale, in continuous ownership for more than 10 years.

The information above suggests that recent growth in Barton has been sporadic. Despite the ambiguity, it seems very likely that if the region continues to prosper, Barton is well positioned to receive its fair share of future growth.

3.3 DERBY

In many ways, Derby is Orleans County's star performer. Located along Lake Memphremagog and the Canadian border, Derby has many characteristics that have helped it to become one of the regions fastest growing and most prosperous areas.

3.3.1 Physical Characteristics and Land Use

First, Derby is in a favorable location. Its close proximity to Newport, a well-established commercial center for the region, has resulted in substantial new commercial development along the main road connecting the two towns (Rte. 5). In addition, Interstate 91 bisects Derby from north to south, feeding both neighboring towns with three exits. In the northern part of

town, Derby Line and Beebe Plain derive a good deal of economic benefit as border checkpoint stations. In fact, with Sherbrooke, Quebec (pop. 80,000) an hour's drive to the north, the impact of international commerce is sizeable. Finally, the Derby area is also served by the region's only airport, the Newport Municipal Airport.

In addition to its location, Derby is endowed with many natural amenities. Lake Memphremagog is the largest body of water in the region (over 30 miles long, with more than half of its length in Canada) and offers year-round recreation. Three smaller bodies of water are all within the town's borders: Lake Salem (approx. 700 acres), Derby Pond (200 acres), and Clyde Pond (150 acres). Most of the development directly on these four lakes is seasonal and further large-scale development is unlikely. However, it is certainly true that property with lake access or views sells at a premium.

Derby's other natural resource is its farmland. Until recently, much of the town's rolling topography was actively farmed. Now, with the farm sector declining and the commercial and residential sectors growing, much of this farmland is ideal for conversion into more intensive uses.

3.3.2 Economic and Demographic Characteristics

Derby's population has grown approximately 4.5% since 1980. Although modest, this rate of growth is nearly twice that of the county as a whole. Derby and Newport City (pop. 4757) together account for 40% of the county's

population and supply many of the regions jobs. The median adjusted gross income of Derby residents is well above the county average (2nd in county rank) and is likely to continue improving. A large percentage of the work-force hold jobs within the community or in nearby Newport.

It is interesting to note that, although the lakes make this area a popular tourist destination, a low proportion of the total housing is categorized as vacation housing and a high proportion of property is held by town residents. This fact is supported by evidence from the subdivision survey: most residential lots are being purchased to meet local housing needs. A strong demand is shown by the fact that the average home price in Derby is 17% above the county average. Property values in general seem to be rising at a moderate rate compared to the county as a whole (17.8% in Derby between 1983 and 1985), with perhaps a greater-than-average portion of the growth in total town property value attributable to the addition of numerous commercial buildings to the tax rolls.

3.3.3 Subdivision Activity

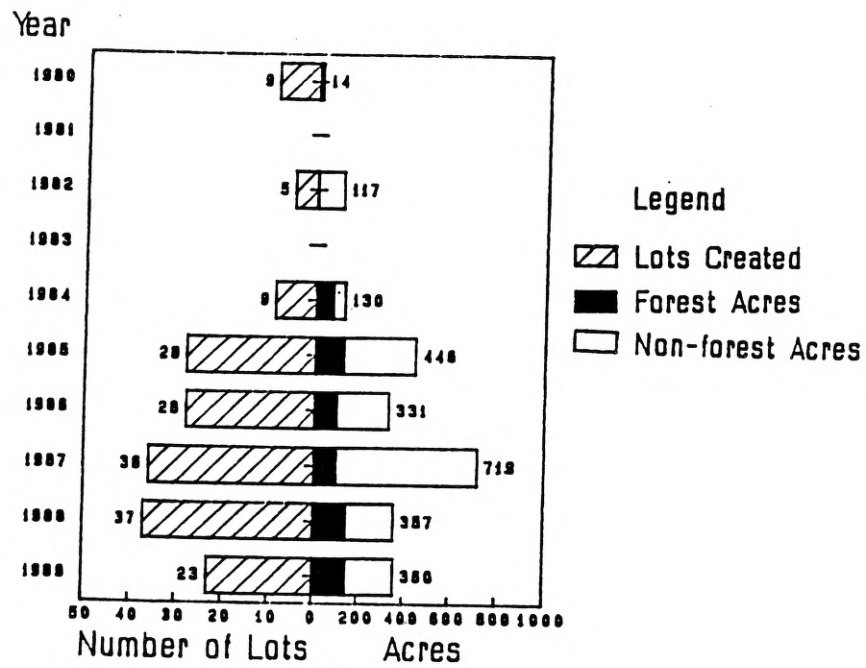
The high level of subdivision activity in Derby, relative to the other two towns in this study is evident from a glance at Figure 5. The surge in the supply of parcels in the latter half of the decade has been met with ample demand: 78% of the parcels have been sold (Table 3). The level of annual property transfers is currently 50% higher than during the mid-decade years.

Orleans: 23

Figure 5

Number of Lots Created & Acres Subdivided by Year

Derby, Vermont January 1980 - June 1989



August 31, 1989

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Table 3
Derby, VT--Subdivision Activity Summary, Jan. 1980-June 1989

Acreage Totals		
Total subdivided		2473 acres
Commercial forestland		706 acres
Average parcel size		95 acres
Lot Totals		
Number of subdivisions		26 projects
Number of lots created		175 lots
Average lot size		
(total acres/total lots)		14.1 acres/lot
Average lots per subdivision		6.7 lots/
(lots/subdivisions)		subdivision
Most common lot-size range		10 to 39 acres
Percentage of lots sold (6/1/89)		78%
Percentage of lots built on (6/1/89)		22%
Permit Totals		
Proportion of subdivisions		
requiring permits		15%
Most common time interval for permit		
approval		4 to 6 months
Most common permit cost per lot		less than \$1000

Also obvious from Figure 5 is the relatively low forestland component. Of nearly 2500 acres subdivided slightly more than a quarter was commercial forestland (Table 3). This fact is a corollary of another: nearly all of the parcels subdivided had recently been working farms. Derby's abundance of farmland has been noted above and it is not surprising that former cropland provides easily developed residential and commercial lots (At least 5 subdivisions included commercial lots).

As a rule, most lots were over 10 acres in size. By contrast, the

mid-to-late seventies saw a number of large subdivisions (35 to 75 lots) with lots of 5 acres or less. In most cases these projects offered particularly attractive lake views or lake proximity. In at least one case, additional lots (originally subdivided in the late-70s but never before offered for sale) have recently been selling briskly at many times their earlier prices.

3.3.4 Subdivider Characteristics

77% of subdividers were private individuals living locally;

69% of subdividers were first-time subdividers;

Nearly all used local newspapers or real estate agents to sell lots;

The majority of subdividers had owned the parcel for more than 6 years prior to subdivision;

50% did not buy the property with the intention of subdividing.

Since many of the subdividers were farmers, who typically are first-time subdividers, only a small proportion of these projects required permits. It is less apparent from the data that a number of the subdivisions were done by frequent subdividers. These individuals often purchase the land directly from farmers and have various mechanisms for avoiding the permit process (See Appendix B).

The summary of subdivider characteristics in Table 3 shows that most of the lots were created by local individuals; the town has not attracted the attention of large, interstate subdividers, although a few of major players in

the region have also been very active in Derby.

The predominant use of the residential lots has been for local housing. Most subdividers responded that demand was likely to continue to be strong but a number of individuals commented that most people would prefer smaller lots. Subdividers feel that state regulations make small-lot projects too expensive. When asked about the influence of Canadian investors, real estate professionals replied that there was very little (in contrast to the seventies when exchange rates were more favorable).

In a region where economic growth has been slow over the past decade, Derby seems to have established a strong and diverse economic base and its growth seems likely to continue. One sentiment was expressed often in response to any suggestion of growth management: "We've missed out on the economic improvement seen in other areas of the state. We need to grow."

4 SUMMARY AND DISCUSSION

There would seem to be little doubt about the surge in subdivision activity since 1985. This is evident from Figure 6, which combines the lot and acreage data for all towns. In the first half of the decade approximately 75 lots were created in these three towns. Since then, at least 243 additional lots have come on the market--a three-fold increase over a slightly shorter time period. It would seem there was no shortage of buyers for these lots as the number of annual property transfers climbed from a fairly stable level near 400 in 1985-1986 to over 600 in 1987-88 (Figure 7).

The number of acres subdivided in each of these three towns has been significant compared to total town acreages at 10.5%. Due to the limited number of forest industry owned lands, the percentage of non-industrial forested acres subdivided is equally impressive at nearly 11%. Table 4 presents the data supporting these percentages.

Table 4
Subdivision Activity by Ownership Type

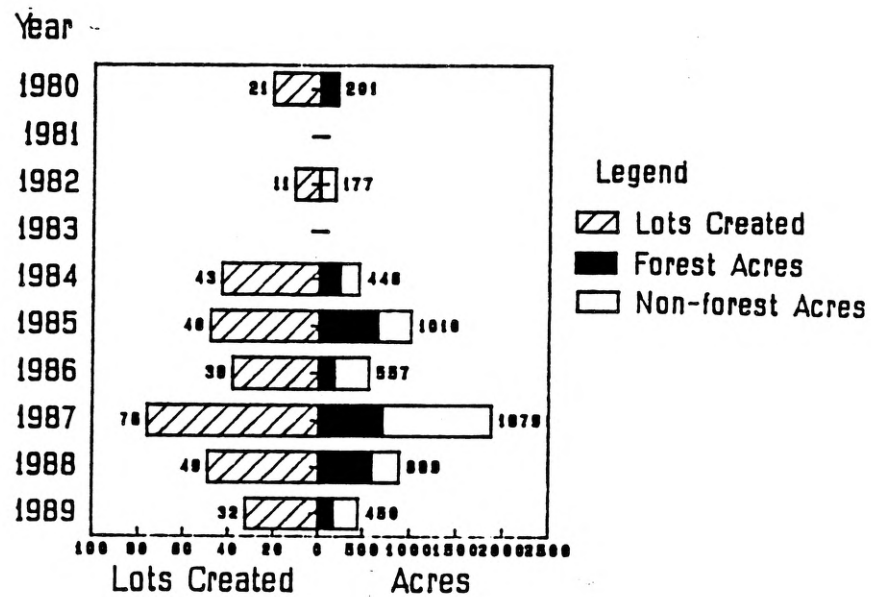
	<u>Albany</u>	<u>Derby</u>	<u>Barton</u>	<u>Entire Area</u>
Total Acres in Town	24,960	31,616	26,880	83,456
Industrial Forest Ownership	0	0	924	924
Public/Conservative	50	349	989	1,388
Reserved Acreage	50	349	1,913	2,312
Total				
Non-Industrial	24,910	31,267	24,967	81,144
Private Acreage				
Acres Subdivided	1,680	5,609	1,455	8,744
1980's				
Acres Subdivided as % of Town Total	6.7%	17.9%	5.4%	10.5%
Acres Subdivided as % of Non-Industrial Private	6.7%	17.9%	5.8%	10.8%

Figure 6

Number of Lots Created & Acres Subdivided by Year

Combined Data for Three Towns

January 1980 - June 1989

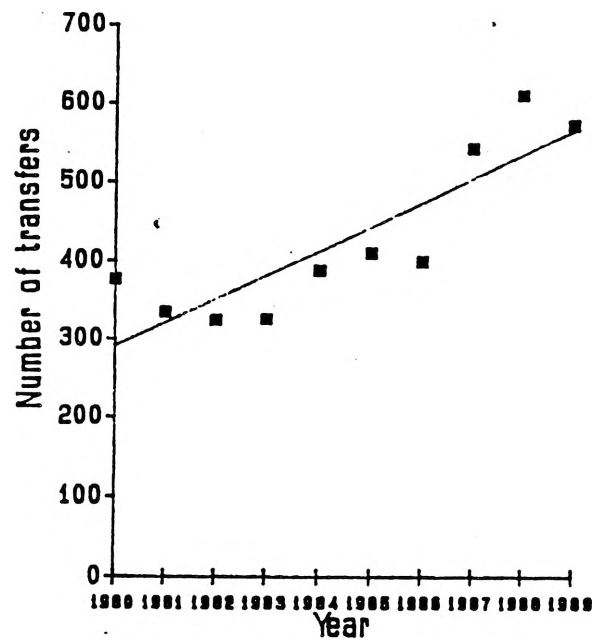


Orleans: 30

Figure 7

Three Town Summary of Annual Property Transfers

January 1980 - June 1989



August 31, 1989

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The causes of this growth in market activity are diverse and complex and all but a cursory review of the most obvious are beyond the scope of this study. Of undeniable influence in the demand for property however, is the Interstate Highway system. In 1987, Interstate 93 was completed through Littleton, New Hampshire, providing a direct connection between Boston and I91 in St. Johnsbury. As one town official put it: "It now takes the same amount of time to go from Boston to Derby as it takes to get to Killington from Boston. The only difference is real estate here costs a fraction of what you'd pay in southern Vermont."

Adding to the supply of property on the market is the decline in farm profitability. The Vermont Department of Agriculture estimates that since 1985, 587 dairy farms have gone out of production statewide (approximately 80% of these as a result of the Federal Dairy Herd Buyout program). Orleans County claims 16% of the state's dairy farms yet accounted for 18% of the total statewide farm loss in 1988. The fact that many of these properties end up being subdivided is reflected in the data for each town.

If we examine the subdivision-level information gathered in the three towns we find that they describe similar trends. These data are summarized in Table 5. The average lot size and the number of lots per project strongly, though indirectly, reflect the impact of state subdivision regulations. These regulations predominantly affect lots below ten acres and subdivisions of over 9 lots. A majority of subdividers felt that the local public is seeking

smaller lots, but that these are unprofitable to develop when the cost of meeting state requirements is included. While this is unlikely to be true in all cases, many of the subdividers are "first-timers" and may be easily influenced by rumors of state regulatory obstacles.

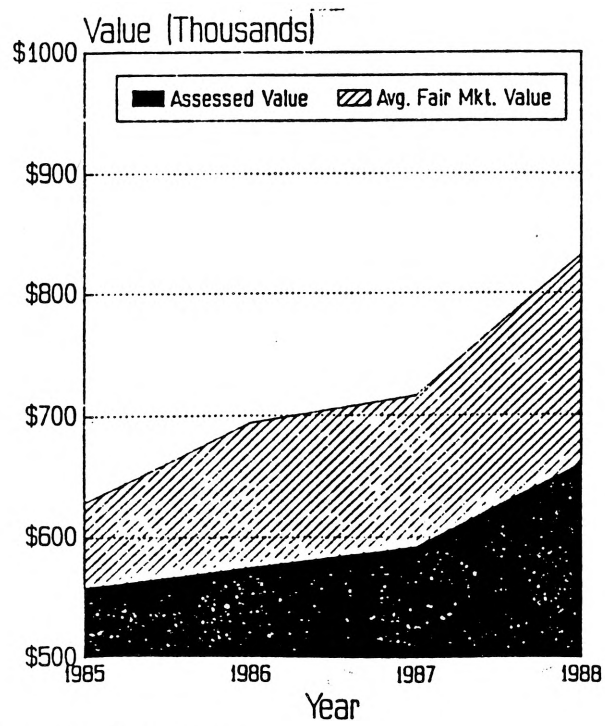
It is worthwhile to emphasize that there were no "major players" dominating the subdivision market. The most frequently active individual was responsible for 40 lots in 5 projects over the course of 10 years.

When commercial forestland comprises a substantial part of the original parcel, it will often be cut over before being subdivided and offered for sale. Subdividers argue that harvesting the timber develops access road and views for subsequent purchasers. Realtors seem to feel the practice does little harm to the parcel's value.

If the causes of the market boom are complex, the effects are also difficult to evaluate. One effect is the increase in property values. Figure 8 illustrates the increase in estimated fair market value for all property in the three towns surveyed. After lagging the state in value growth for many years, Orleans County has recently grown at a rate equal to the state's average. Figure 8 also shows the struggle that local property assessors face in trying to maintain full-value property assessments.

Orleans: 33

Figure 8
Assessed Value vs. Estimated Fair Market Value
Combined Data



Source: Vt. Dept of Taxes

The impacts of growth are being felt by town planning and zoning boards as they deal with an increased load of projects and demands for updates on plans and regulations. Generally speaking an increase in new homes brings more pupils into local schools, placing additional pressure on local property tax revenues. Many complain that housing is no longer affordable to local wage earners.

Even so, there seems to be a strong and growing sentiment from a vocal minority against any form of regulation or control. Monies available for town planning under a new state planning law are being refused by some towns in referendum votes. Many feel that their individual property rights are sacrosanct and that controls on growth simply prevent them from participating in the equity that has accrued to their property. Unfortunately, much of this opposition seems to be based on a lack of information or, in some cases on misinformation about land use planning in general and Vermont's new planning law, Act 200, in particular.

In a region where growth is usually measured in single digits, often negative, double digit property appreciation that accompanies a market boom has polarized the relationship between "locals" and those with more progressive ideas.

Table 5		
Subdivision Activity Summary, Combined Data for Three Towns		
Acreage Totals		
Total subdivided		5609 acres
Commercial forestland		2375 acres
Average parcel size		130 acres
Lot Totals		
Number of subdivisions		43 projects
Number of lots created		318 lots
Average lot size		
(total acres/total lots)		17.6 acres/lot
Average lots per subdivision		7.4 lots/
(lots/subdivisions)		subdivision
Most common lot-size range		11 to 39 acres
Percentage of lots sold (6/1/89)		75%
Percentage of lots built on (6/1/89)		20%
Permit Totals		
Proportion of subdivisions		
requiring permits		19%
Most common time interval for permit		
approval		4 to 6 months
Most common permit cost per lot		less than \$1000

Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

4.1 SUBDIVIDER CHARACTERISTICS

72% of subdividers were private individuals, 77% live locally;

70% of subdividers were first-time subdividers, only two of the more frequent subdividers do projects outside the local area;

Nearly all used local newspapers or real estate agents to sell lots;

28% owned the property for 1 to 5 years before subdividing;

79% owned the property for greater than 6 years before subdividing;

49% did not buy the property with the intention of subdividing.

4.2 GRANTOR CHARACTERISTICS (17 grantors surveyed)

82% grantors lived locally, nearly 60% had been or were still farmers;

65% owned their property for greater than 10 years;

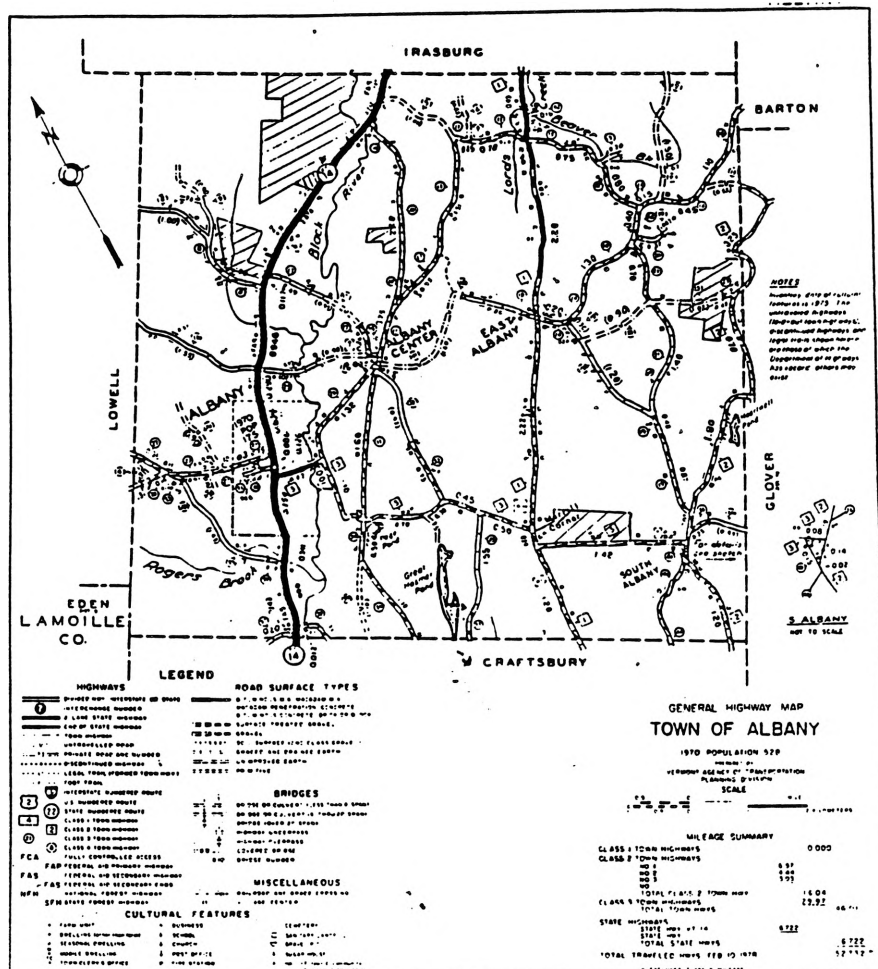
Often the grantors were approached by the buyers, realtors were also used commonly to market their properties;

Most grantors saw their properties being used for local housing (53%); sale to non-residents was the next most frequent expected use (29%);

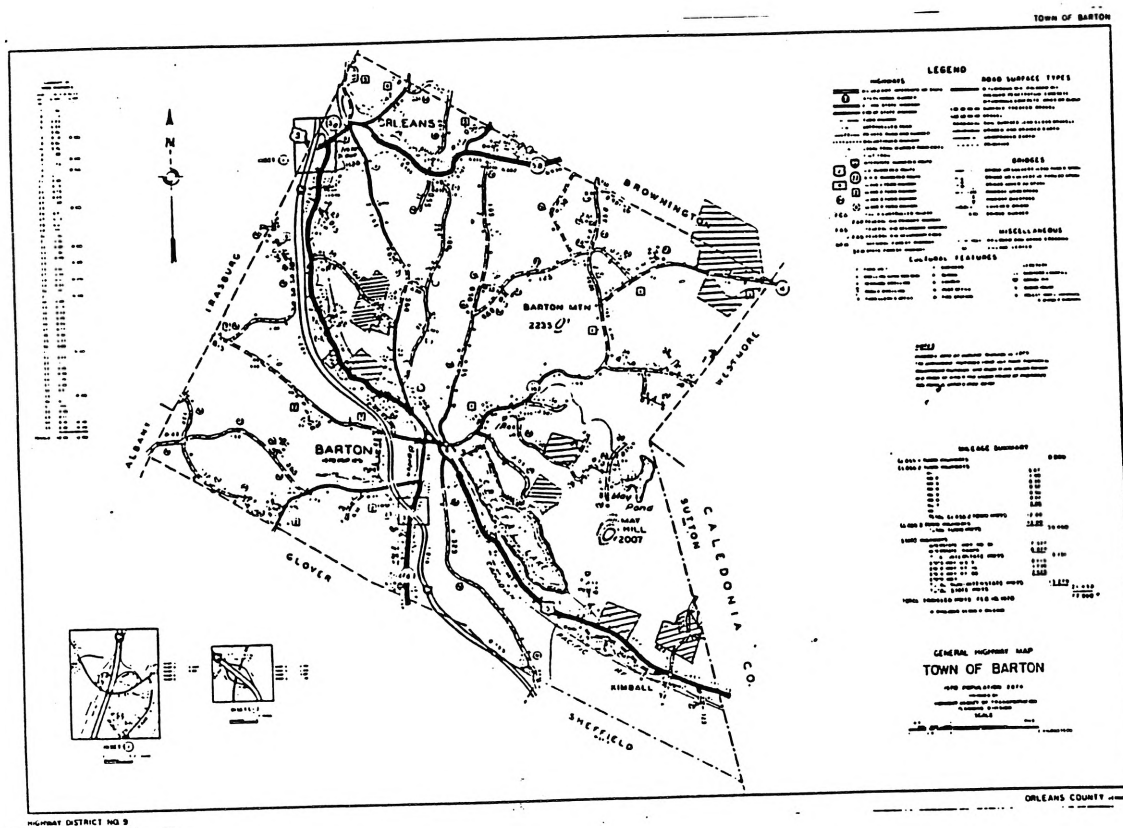
5 APPENDIX

5.1 APPENDIX A TOWN MAPS SHOWING SUBDIVISION LOCATIONS

5.1.1 Albany, Vt



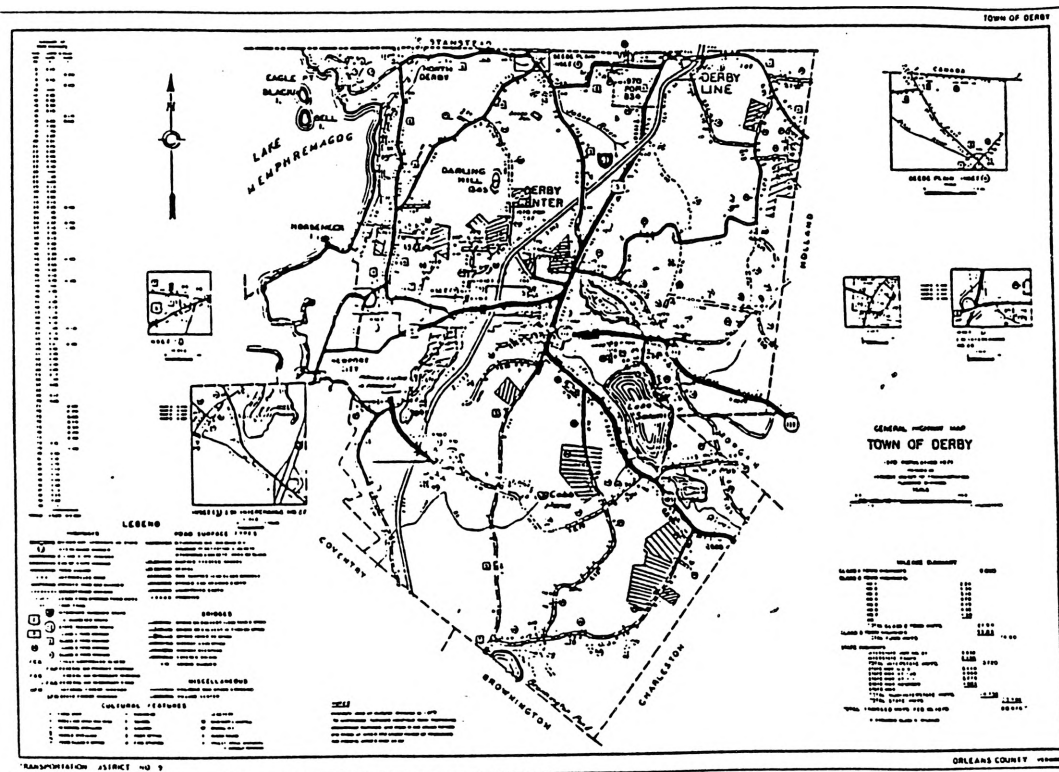
5.1.2 Barton, Vt



August 31, 1989

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5.1.3 Derby, Vt



5.2 APPENDIX B STATE SUBDIVISION REGULATIONS

The subdivision of land in Vermont is subject to certain statewide regulations administered by the Agency of Environmental Conservation. The first set of these regulations is included under provisions of Vermont's State Land Use and Development bill or "Act 250." The second set of regulations pertains mainly to on-site sewage disposal requirements and is known as Chapter 3 of the Agency's Environmental Protection rules.

Enacted in 1977, Act 250 divides the state into nine districts, each with a district coordinator and a 3-person district commission. The subdivision regulations require a hearing before the commission and a land use permit if either of the following two conditions exist:

(1) if land is subdivided into 10 or more lots of any size within a 5 mile radius or within the jurisdictional limits of a district commission, within a continuous period of five years, or

(2) when a road is constructed, incidental to the sale or lease of land, if the road is greater than 800 feet in length or provides access to six or more lots. (Note: there are other conditions that trigger the review/permit process but these are the two most relevant to subdivision activity.)

The second set of regulations (Chapter 3) requires that any new lot that is intended for building construction and is less than ten acres in size must be capable of providing adequate sewage disposal. Normally, this requirement

must be met by the developer before the lot can be sold. There is a provision, however that allows the lot to be sold without development right which can be restored once evidence of sewage disposal suitability is presented by the new owner.

The most obvious effects of these regulations are apparent from the subdivision data presented earlier: the majority of subdivisions contain less than ten lots, each greater than ten acres. The interested reader is referred to a more detailed analysis of the effect of these rules contained in the following sources:

1) Parcellizing Vermont by Susan Hamilton and Susan Clarke, published by the Vermont Natural Resources Council (VNRC) in their Fall, 1986 newsletter, The Vermont Environmental Report.

2) Corporate Land Speculation in Vermont: A Profile of Causes, Environmental Impacts, and Case Examples of the Rapid Subdivision of Rural Vermont Land, also by Susan Hamilton and available from the VNRC.

3) Spaghetti Lots: Are State Regs to Blame? by Charles Tenny, published in The Chronicle, a weekly Orleans County newspaper, on April 12, 1989.

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The second set of regulations (Chapter 3) requires that any new lot that is intended for building construction and is less than ten acres in size must be capable of providing adequate sewage disposal. Normally, this requirement must be met by the developer before the lot can be sold. There is a provision, however that allows the lot to be sold without development right which can be restored once evidence of sewage disposal suitability is presented by the new owner.

The most obvious effects of these regulations are apparent from the sub-

division data presented earlier: the majority of subdivisions contain less than ten lots, each greater than ten acres. The interested reader is referred to a more detailed analysis of the effect of these rules contained in the following sources:

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NORTHERN FOREST LANDS STUDY

September 1, 1989

CASE STUDY

Essex County, New York

Prepared By

The Irland Group

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1 OVERVIEW OF FINDINGS

In the later half of the present decade, much of Essex County has participated in the economic growth prevalent throughout the Northeast. Although some jobs have been lost in forestry, mining, and manufacturing, employment in Essex County is up, largely due to increases in the government and services sectors.

Land ownership in Essex County is typical of the Adirondack Park: approximately 45% is State-owned and, of the remaining privately owned land, nearly one-third of the land area is held by a small number of owners.

In general, property value growth and subdivision activity were moderate in the early 1980's. In the last few years, real estate activity and property values have increased dramatically in most areas. In 1989, the prevailing opinion is that real estate demand is softening in most areas (Lake Placid is a notable exception).

Nearly three-quarters of the subdivisions and 83% of the lots existing in the three study towns were created since 1985. In these three towns a total of 126 lots have been created in developments containing three or more lots. Overall, 1148 acres was subdivided, approximately 56% of which was commercial forestland.

Most of the subdivisions were created by individual, small holders who

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were subdividing for the first time. Approximately 2/3 of the projects fell within the jurisdiction of the APA Land Use and Development regulations and so required design review and permits.

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2 INTRODUCTION

The eastern and western regions of the Adirondack Park differ widely both physically and economically. The east is characterized by mountains and supports a thriving recreation industry. The west contains a wealth of lakes, streams, and rivers, but little commerce and industry.

This report attempts to examine these differences in somewhat more detail, especially as they relate to real estate markets and land subdivision activity. Limited study resources required that we allocate the bulk of the time and energy to the area with the greatest activity. For this reason the main section of the report addresses the situation in Essex County, in the eastern Park. Activity in the western region is discussed in Appendix D.

3 ESSEX COUNTY

Essex County lies in the northeastern corner of the State of New York. It borders Lake Champlain and Vermont on the east and extends westward into the heart of the Adirondack Park (see Figure 1). The county exists entirely within the Park boundaries and includes many of the Park's major recreation and tourist destinations; it also includes some of the poorer and more economically sluggish towns of the region. In fact, a number of contrasts are apparent if we examine a range of physical, demographic, economic characteristics.

3.1 Physical Characteristics

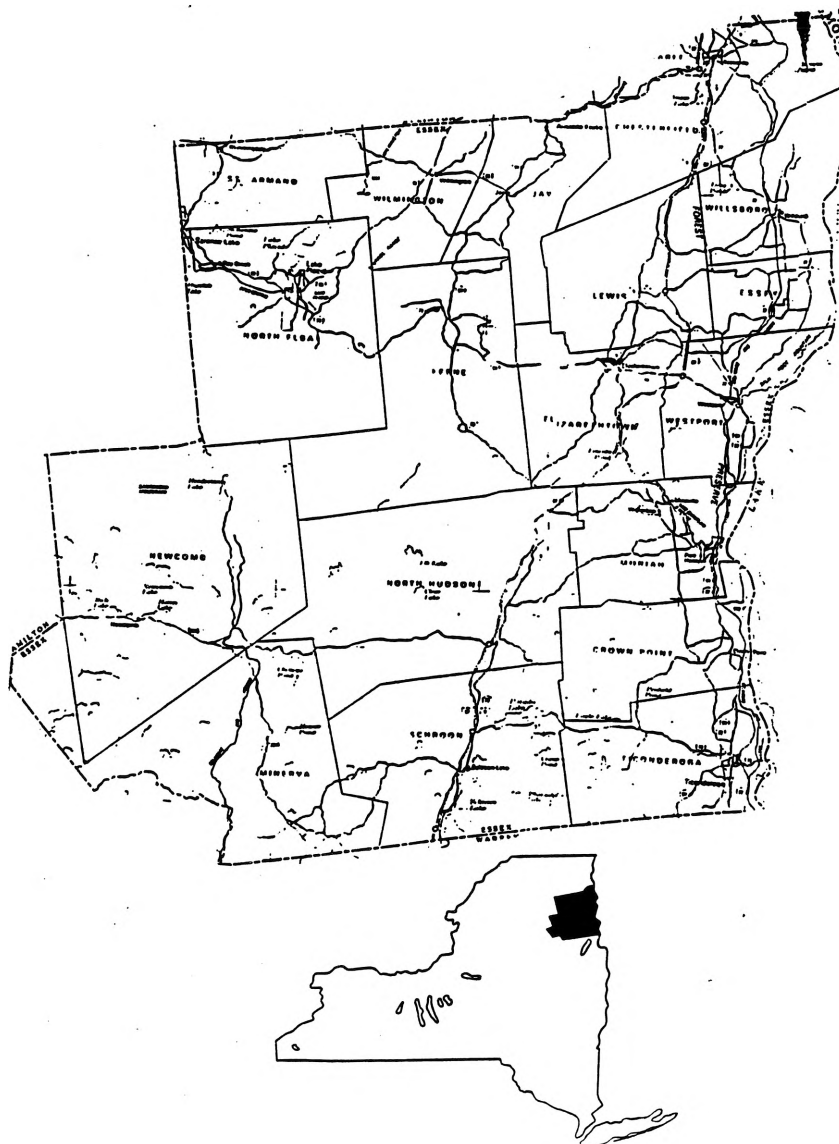
Essex county is the second largest county in the State and is dominated by its incredible diversity of natural amenities. The county encompasses at least three distinct physiographic regions: lake basin, foothills, and alpine. On the east, the Lake Champlain basin rises quite abruptly into the foothills of the interior mountains. West of this, the "High Peaks", a cluster of over forty mountains in excess of 4000 feet, dominate much of the central and western sections of the county.

<u>Characteristics</u>	<u>County</u>	<u>% of State</u>
Population (1986)	36300	.2%
Area (sq. miles)	1807	3.8%
Unemployment (1988)	6.6	

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Figure 1

Map of Essex County



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Along with the mountains, Essex County also contains the headwaters of the Hudson River, the Ausable River, Lake Placid, and Schroon Lake, as well as hundreds of minor, often remote and pristine, lakes and streams. Except for portions of the Champlain basin and to some extent around established villages, the county is primarily wooded. At lower elevations, mixed northern hardwoods are predominant; whereas at higher elevations and in cooler locales, spruce fir associations are common.

The major north/south roads are confined to the less mountainous eastern corridor. Interstate 87 connects the metropolitan regions of New York and Montreal (travel times and distances are listed in Appendix A) and serves as the main feeder for the millions of tourists that visit the region annually. Most eastbound secondary roads lead northerly and southerly of the high peaks and provide access to the central regions of the Park.

3.2 Demographic and Economic Features

Only two of New York's 62 counties have a lower population density than Essex County. According to 1986 estimates, the county population stands at 36300, up approximately 200 residents since 1980. However, a closer look at subsections of the county is useful to understand where and why population changes are occurring.

Ten of the county's 18 towns lost residents since 1980. Many of the eastern towns (e.g., Moriah, Essex, Crown Point, and Ticonderoga) were among

the larger losers, along with the interior community of Newcomb. Often these communities exist symbiotically with one or two major industries. If these industries falter, as in the case of the mining communities of Moriah and Newcomb, many residents move elsewhere in search of jobs.

In contrast, the two communities showing the greatest population growth are associated with the vacation and recreation industries: North Elba, home of Lake Placid, grew by 463 residents and Schroon, encompassing Schroon Lake, grew by 184. It should be noted that these are estimates of year-round population as of 1986; they do not reflect the effects of the recent growth in economic activity (as noted later), nor do they reflect the tremendous surge in summer residents in the region.

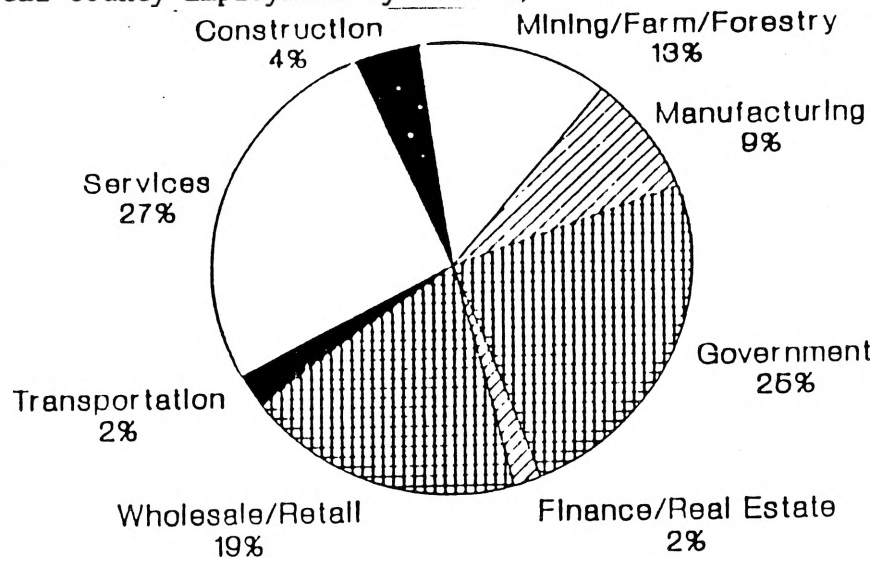
Overall, the county population has been rising slightly, as has the available labor force. Fortunately, job growth has exceeded population growth recently and unemployment is dropping. Figure 2 shows total employment by sector for 1988. This chart shows that State government is a major employer in the county; the bulk of these jobs are provided by the county administrative offices in Elizabethtown and by prisons located in North Elba and Moriah. The government sector and the service industries have seen the greatest recent growth, accommodating much of the losses in mining and manufacturing. A recent announcement that a Scottish firm plans to create 500 new jobs in its \$120 million renovation of a Lake Placid resort is evidence of continued strength in the services area.

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Figure 2

Total County Employment by Sector 1988

Figure 2. Total County Employment by Sector, 1988



Source: NY8 Department of Commerce

3.3 Land Ownership and Land Use

In the early 1970's, land use pressures in the Park were growing (partly as a result of the completion of the Interstate) and the State responded by adopting parkwide land use plans and regulations for both State and private lands. Since all of Essex County falls within the Adirondack Park, a large amount of land is owned and controlled by the State; private land use falls under the jurisdiction of the Adirondack Park Agency (APA).

Approximately 45% (550,000 acres) of the land area in the county is State-owned. Nearly two-thirds of the State land is designated wilderness and the bulk of this is in the High Peaks area. According to the New York State constitution, all lands owned or acquired by the State, within the Park boundaries shall be "forever kept as wild forest lands." State ownership has grown at a moderate pace in the last decade.

Private land ownership can be characterized by a phenomenon that exists in many sparsely populated areas: a small number of private owners own a large proportion of the land. In Essex County an estimated 20 owners hold over 200,000 acres of mostly forested land, over 30% of the private land in the county (1987 data). Table 1 shows the breakdown of this ownership by category. The remaining private land (466,000 acres) is in many smaller ownerships, concentrated in the northern and eastern parts of the county. All

private lands are subject to the land use categories and density guidelines specified in the APA land use plan (see Appendix B) and most changes in land use require an APA review and permit.

Table 1
Major Private Ownership in Essex County By Category, 1987

<u>Ownership Category</u>	<u>Acreage Owned</u>	<u>% of County Private Land</u>
Forest Industry	166,444	24.8%
Clubs	17,467	2.6
Mining Industry	10,282	1.5
Individuals	7,735	1.2
Land Developers	<u>2,519</u>	<u>.4</u>
TOTAL	204,447	30.5%

Source: NYS Div. of Equalization & Assessment, APA

3.4 Real Estate Trends and Subdivision Analysis

Trends in real estate activity and value for Essex County must consider where activity is occurring as well as how it may be changing. Unfortunately, there is little current, easily available data from which to draw conclusions. This analysis, therefore, will draw from three sources: published data from the State Division of Equalization and Assessment, opinions of local real estate professionals, and a review of subdivision activity in three sample towns.

3.5 Published Assessment Data

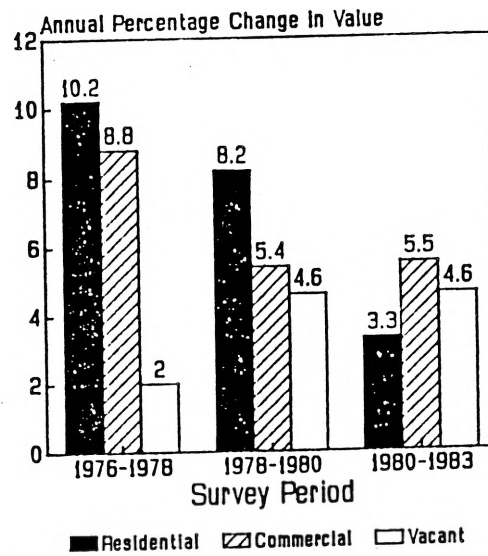
Published data from the state are available in two forms: 1) estimates of property value change by region (the Northern region includes 16 counties in and around the Park); and 2) estimates of the number of sales and median selling price per parcel by county. The data are presented in Figures 3 and 4. Figure 3 shows that aggregate residential and commercial property values grew more slowly through the early years of the current decade, compared to the late 1970's. The "vacant" land class includes forestland and farmland, as well as undeveloped building lots. This class actually shows a fairly steady level of value growth in the early 1980's.

Figure 4 examines median selling prices of similar property groupings for Essex County¹. All three classes of property show double-digit annual increases in the median selling price, with the greatest percentage rise in vacant land. Although prices seem to be rebounding from sluggish growth in the early 1980's, the total number of property sales remained fairly steady over the period.

¹ Vacant land in this chart does not include farm or forest land. Median prices for these categories are not available.

Figure 3

**Annual Percent Change in Property Value, By Class:
Northern Assessment Region.**



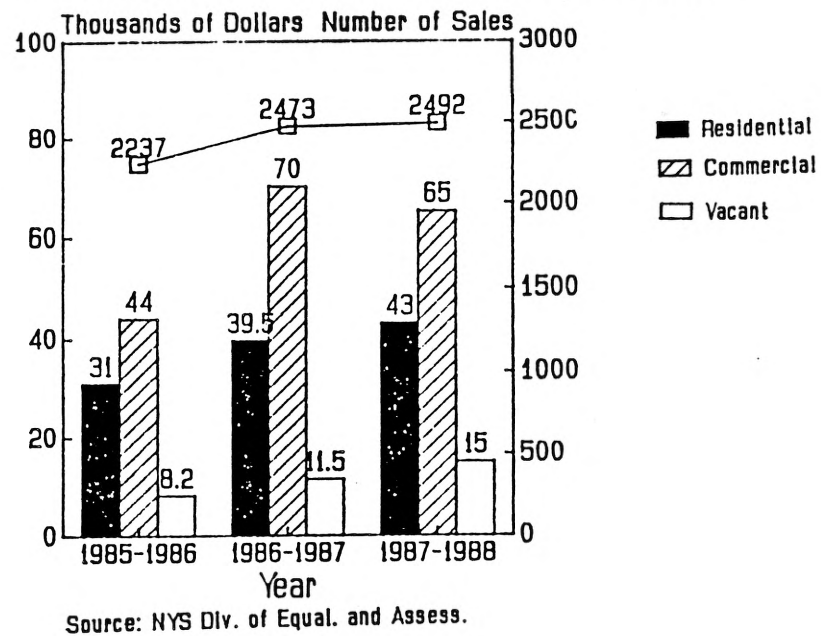
Source: NYS Div. of Equal. and Assess.

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Figure 4

Median Selling Price by Class and Year: Essex County

Figure 4 Median Selling Price by Class and Year: Essex County



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3.6 Local Observations

According to most individuals questioned, real estate activity and property values have increased for virtually all types of properties in nearly all locations. The largest increases have been in recreation-oriented towns and villages, especially within the last few years. Lake Placid and Schroon Lake are extreme examples, but many smaller towns have also seen renewed interest. Similarly, with economic prospects for the region improving, many of the towns along Lake Champlain have again become highly fashionable places to live.

New construction continues at a moderate pace, yet most real estate brokers seem to agree that demand for new housing exceeds supply and that the supply of housing lots is constricted by APA regulations.

Finally, in contrast to the vigor of recent years, brokers felt that inquiries and sales had dropped off considerably this summer (in nearly all areas except Lake Placid). One broker seemed relieved: "Maybe we'll see values catch up with prices for a while."

3.7 Subdivision Analysis

Three towns, Jay, Elizabethtown, and Minerva, were chosen for a closer look at subdivision activity. These towns represent northern, central, and southern regions of the county and generally have two other features in common: a) they are located on the fringe of the county's most intensively developed areas; and b) they all contain sizeable areas in potentially

developable private forest land (see Appendix B for a detailed breakdown of the area in each of the APA land use categories). Table 2, 3 and Figure 5 provide summaries of the subdivision study for all three towns; a brief description of each town and its activity is given below.

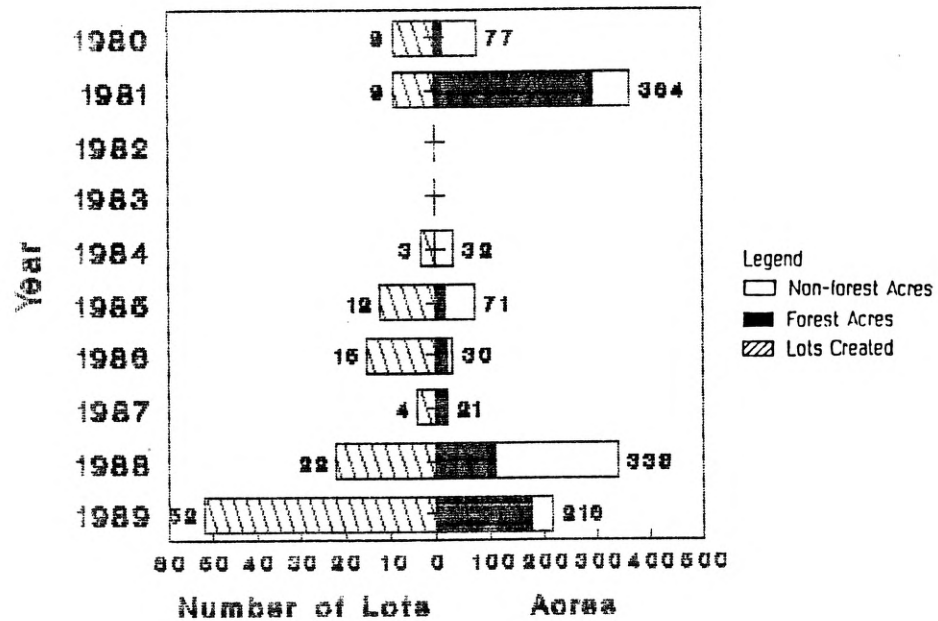
Table 2	
Summary of the Subdivision Survey for the Three Study Towns	
Acreage Totals	
Total subdivided	1148 acres
Commercial forestland	649 acres
Average parcel size	64 acres
Lot Totals	
Number of subdivisions	18 projects
Number of lots created	126 lots
Average lot size	
(total acres/total lots)	9.1 acres/lot
Average lots per subdivision	7 lots per
(lots/subdivisions)	subdivision
Most common lot-size range	less than 10 acres
Percentage of lots sold (6/1/89)	56%
Percentage of lots built on (6/1/89)	24%
Permit Totals	
Proportion of subdivisions	
requiring permits	67%
Most common time interval	
for permit approval	4 to 6 months
Most common permit cost per lot	less than \$1000

Table 3
Subdivision Activity by Ownership Type

	<u>Elizabethtown</u>	<u>Jay</u>	<u>Minerva</u>	<u>Entire Town</u>
Total Acres in Town	52,480	42,880	101,120	196,480
Industrial Forest	13,330	1,593	10,999	25,992
Ownership				
Public/Conservation	18,795	8,195	69,995	96,985
Reserved Acreage	32,125	9,788	80,994	122,907
Total				
Non-Industrial	20,355	33,092	20,126	73,573
Private Acreage				
Acres Subdivided	202	886	60	1,148
1980's				
Acres Subdivided as	0.4%	2.1%	0.1%	0.6%
% of Town Total				
Acres Subdivided as	1.0%	2.7%	0.3%	1.6%
% of Non-Industrial				
Private				

Figure 5

Lots Created and Acres Subdivided by Year: Three Study Towns



Note: 1989 data is incomplete as this study was done mid-year and included subdivisions approved as of field visit dates.

3.8 Subdivider Characteristics

78% of subdividers were private individuals;

83% were from Essex County or a neighboring county;

83% of subdividers were first-time subdividers;

All used local newspapers, word of mouth, or real estate agents to sell lots, one also advertised in metropolitan areas;

A majority owned the property for greater than 5 years before subdividing;

Over half did not buy the property with the intention of subdividing.

3.9 Grantor Characteristics

Nearly all grantors were local residents, primarily individuals, who were selling their entire holdings.

3.10 Jay

Jay is located on Essex County's northern border, about a half hour's drive east of Lake Placid and 10 minutes from the Whiteface Mountain ski area. The Northway (Interstate 87) is 20 minutes further east. Jay is on the northern edge of the High Peaks region and contains over 10 miles of the Ausable River, one of the region's premier trout streams. Many of the town's 2100 residents work locally, however both Lake Placid and Plattsburgh are within easy commuting distance. Less than 20% of the town's land area is owned by the State.

One-half of the 18 subdivisions studied occurred in Jay. Lots have been fairly large and subdividers were generally local. Many of the projects were a part of the subdivider's homestead and in two cases, lots were created for family members and never sold on the open market. By far the greatest number of lots for any single year were created in 1989 (43 lots in three projects). Most of these lots are smaller than 10 acres and will probably be sold for vacation homes.

One subdivision in Jay is not reflected in this study because it was created in the 1960's, yet its size and effect on the town make it worthy of note. The original development consisted of nearly 6000 acres, most of which had been divided into one acre lots before the advent of APA subdivision regulations. Much of this area was never offered for sale yet, to date, some 1000 lots have been sold and many new houses have been built. Currently, problems with the project's water supply have restricted the sale of any additional lots and it is likely that if and when more lots are offered they will be larger and will require APA review.

3.11 Elizabethtown

Elizabethtown is the county seat and has a population of nearly 1300. It is located south of Jay, between the Lake Champlain town of Westport on the east and the High Peaks region on the west. Most of the development in town is clustered around the main village, in the northeastern section, and much of

the rest of the town is mountainous. The county administrative facility employs many residents and has a stabilizing influence on the town, making it less vulnerable to the cyclical fluctuations of the recreation and tourism industry. Some additional pressure on the housing market is likely to come from a new prison facility in the neighboring town of Moriah.

Most subdivisions in Elizabethtown contain few lots and all were created by residents. In 1988 the greatest number of projects were tallied (4, 4 lot subdivisions; 110 acres total) but there have been no new projects in 1989.

3.12 Minerva

Minerva occupies the southwestern corner of Essex County. The Northway and Schroon Lake lie 15 minutes to the east, while the village of North Creek and Gore Mountain ski area are about the same distance south. To the north are the High Peaks and to the west is sparsely populated Hamilton County (2 persons per square mile compared to Essex's 20). There is little local industry and many of the town's 750 residents find work in the nearby resort towns. Even though the State owns almost 70% of the land in Minerva, there is developable land along most town roads.

Very little intensive development can be documented in Minerva. Over the last ten years a number of two-lot splits have occurred and some residents have sold off lots as needed, but only two projects contained three or more lots. The first was created in 1986 and contained 15 lots, each about 2

acres. To date, 8 are sold and one new house has been built. The second, created this year, consists of 8, small building lots adjacent to a cluster of townhouses offered by the same, local developer. Both the lots and the townhouses have been targeted for "downcountry" buyers.

3.13 Summary and Discussion

Essex County relies heavily on its natural resource base, however events in the current decade evidence a shift away from productive uses, particularly mining and forestry, and towards a greater reliance on recreation, tourism, and the public sector. Historically, of course, recreation and tourism have been a mainstay of the region, along with the cyclical ebb and flow associated with it. However, the 1980 Winter Olympics in Lake Placid seem to have left a more permanent impact on the region than the 1932 Olympics did: Lake Placid is now a full-scale, year-round resort and convention center that continues to attract major new investment dollars. At the same time, environmental and economic forces have hurt the region's mining and forestry sectors.

The question is often raised about how these changes will affect the "wildness" of the region. Is one land intensive industry (e.g., mining) being supplanted by another (vacation home development)? Although the data presented here is inconclusive on this question, future development in Essex County is likely to be influenced by the following factors:

The State owns nearly half of the land area of the County and exercises

fairly strict control over the balance (though by far the bulk of the road frontage is privately owned). The challenge for the APA Land Use and Development Plan will continue: it must balance the region's need for economic growth with environmental protection. The local populace seems more supportive of the APA mandate now than it has been in the past, perhaps due to the development that has occurred even with the park-wide land use regulations. Many towns are realizing the need for local planning and zoning as well.

Demographers have cited a national population trend away from cities and into rural places, particularly those places high in natural amenities. A tourism brochure for the Park advertises the fact that the Adirondacks are "within a day's drive of 55 million people." Virtually all real estate people interviewed commented that the preponderance of purchasers were nonlocal and that many were becoming residents. Developments in the technology of transportation and communication are likely to facilitate this trend.

Although the current surge of economic activity has concentrated the heaviest development around areas already built up, many of those towns are running out of developable land. Subdivision projects have been increasing in number in neighboring towns and upward pressure on real estate prices is exacerbating existing affordable housing shortages. Away from the activity centers, the most desirable land is along lakes and rivers. At this stage, "secluded" lakefront subdivisions are still relatively uncommon in Essex County.

Finally, a major piece in the Essex County land use and development puzzle is in the hands of a few industrial and club owners. If demand for "recreation" property continues to be strong, prices will remain high. Higher prices often result in increased land holding costs in the form of higher property taxes. Combined with internal pressures for investment return or liquidity, these market forces may well induce large owners to place non-strategic lands on the real estate market. Given present conditions, significant development could occur in complete compliance with current land use regulations. As one individual stated: "It's not the current level of development intensity that I fear, but rather its cumulative effect."

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4 APPENDIX A. Travel Time from Essex County to Major Eastern Cities

<u>City</u>	<u>Miles</u>	<u>Hours</u>
Albany	108	2 1/2
New York City	250	5 1/4
Syracuse	235	5
Buffalo	370	8
Montreal	98	2 1/4
Quebec City	260	5 1/2
Hartford	105	2 1/4
Boston	270	6
Portland	375	8

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5 APPENDIX B. Private Land Use Regulations in the Adirondack Park

Under the APA's Land Use and Development Plan, all private land is classified into six categories. These categories are resource management, rural use, low intensity use, moderate intensity use, hamlet, and industrial use. The purpose of these categories is to be able to exercise control over the overall density of development, thus the categories allow development over a continuum of intensity. The average lot size and the number of buildings per square mile for each category are listed in Table 4. When a development project exceeds these limits and for any development in the "resource management" category, the project must receive APA approval. In addition, project review is required for development in the proximity of certain lakes, rivers, wetlands, and highways, or when the project has a significant regional impact.

Table 4
APA Land Use Categories and Intensity Guidelines

<u>Principal Land Use Category</u>	<u>Average Lot Size</u>	<u>Average Bldgs. Per Sq. Mile</u>
Resource Management	42.7	15
Rural Use	8.5	75
Low Intensity Use	3.2	200
Moderate Intensity Use	1.3	500
Hamlet	---	no limit
Industrial Use	---	no limit

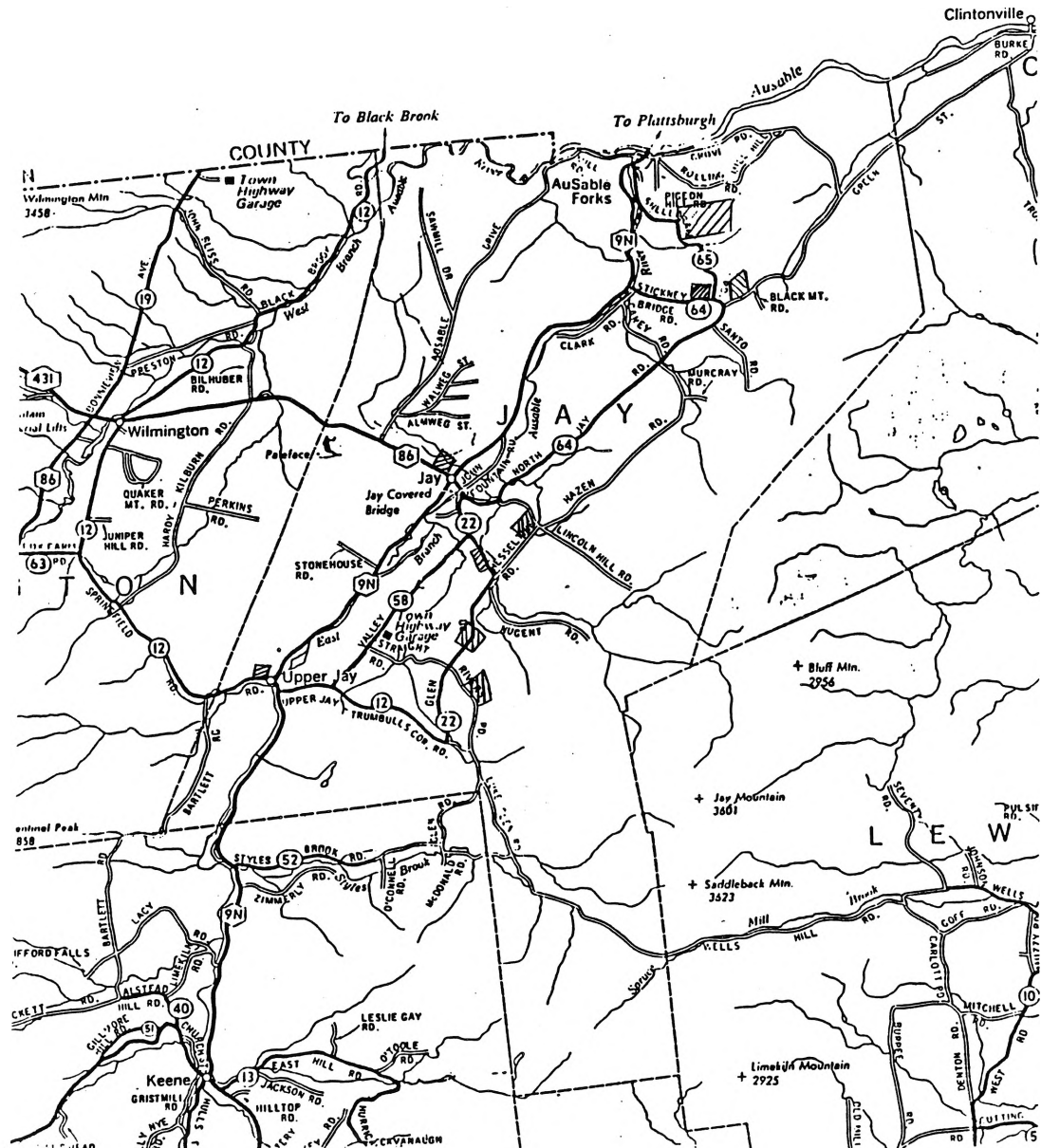
Source: A Citizens Guide to APA Land Use Regulations

The land area in each of these uses roughly follows the intensity with which they can be developed, with the greatest land area classed in the least intensive use. Approximate areas in the six uses for each of the three towns studied in the subdivision section of this report are presented in Table 5.

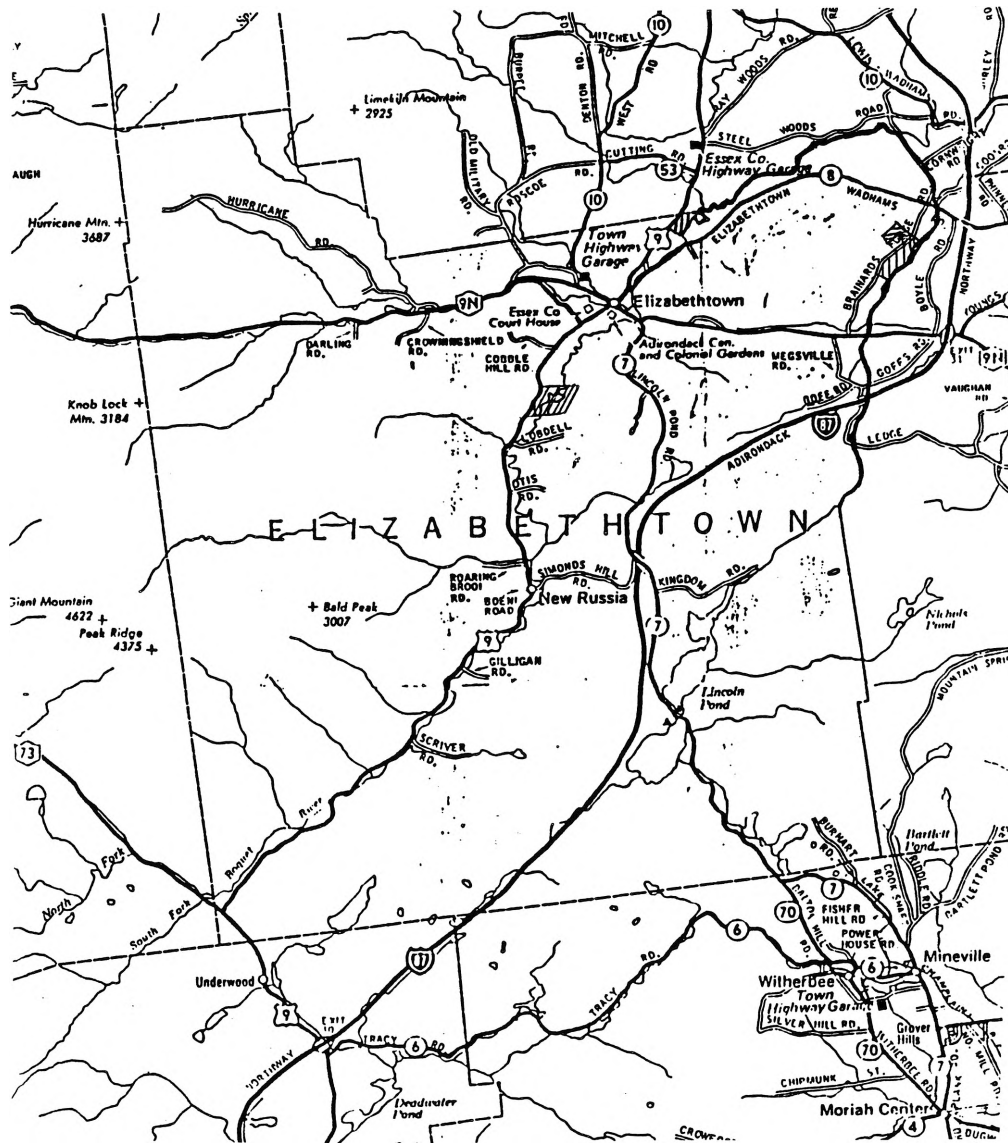
Table 5 Area in Land Use Categories for Three Essex County Towns						
<u>Land Use Category</u>	<u>Jay</u>		<u>Elizabethtown</u>		<u>Minerva</u>	
	<u>acres</u>	<u>%</u>	<u>acres</u>	<u>%</u>	<u>acres</u>	<u>%</u>
Resource Management	13775	32.1%	17351	33.1%	15847	15.7%
Rural Use	9036	21.1	13347	25.4	6037	6.0
Low Intensity Use	9918	23.3	1494	2.8	8451	8.4
Moderate Intensity Use	331	0.8	1068	2.0	452	0.4
Hamlet	1467	3.4	534	1.0	603	0.6
Industrial Use	<u>220</u>	<u>0.5</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
Total Private Land	34747	81.0%	33794	64.4%	31390	31.0%
State Land	<u>8133</u>	<u>19.0</u>	<u>18686</u>	<u>35.6</u>	<u>69730</u>	<u>69.0</u>
Total Town Land Area	42880	100.0%	52480	100.0%	101120	100.0%
Source: APA Land Use and Development Plan Map						

6 APPENDIX C. Town Maps Showing Subdivision Locations

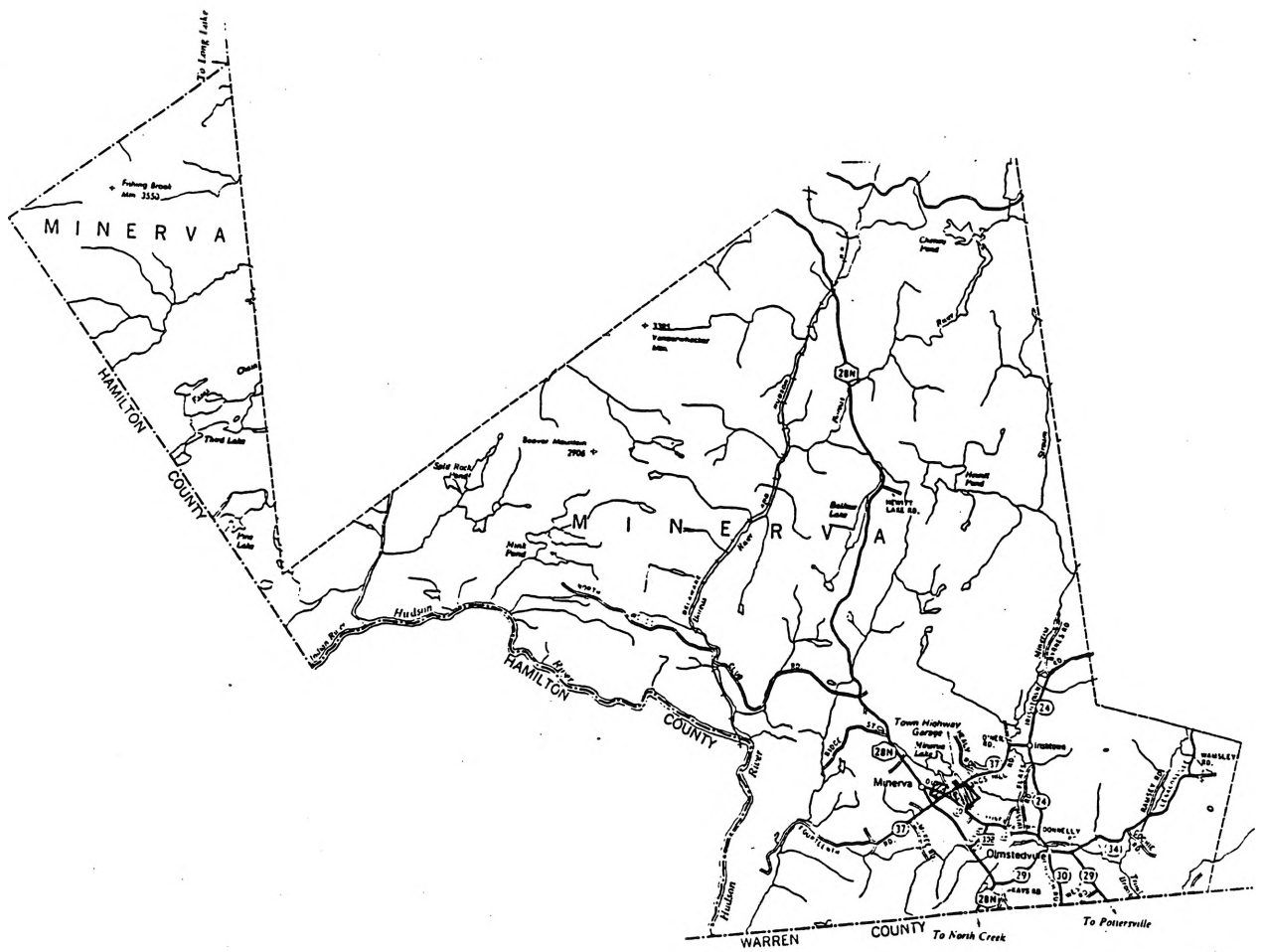
6.1 Jay, NY



6.2 Elizabethtown, NY



6.3 Minerva, NY



6.4 Development and Subdivision Activity in the Western Adirondacks

The scope of this case study was originally intended to include an area of the western Adirondack Park, where St. Lawrence, Herkimer, and Lewis Counties converge. Time and budget constraints prevented as thorough a study as was done for Essex County, however, an attempt was made to broadly characterize the region, based on readily available information. These observations are summarized below.

Compared to Essex County, this region of the western Park is more homogeneous. Physically, there is little topographic relief, the soils are quite sandy and shallow, and as much as 10% to 15% of the area is composed of lakes, streams, or wetlands.

In terms of population, all of the towns in this region are relatively small. For example, an area which includes the towns of Clifton, Fine, and Webb (800 square miles) is home to 4700 people (fewer than 6 persons per square mile). During the last few years population levels have been steady or slightly rising.

One reason for the lack of population growth is the lack of available jobs. Locally, the primary industry is tied to the timber resource. There is a paper mill in Clifton and a number of local residents are employed in the plant or in supplying raw materials to the facility. Most other area residents must commute to larger towns adjacent to the Park for employment. A

major employer and contributor to the economy of the larger region is the military base at Fort Drum.

The State of New York is the area's largest landowner, holding approximately 60% of the area and much of the waterfront in the three towns mentioned above. Still, there are sizeable areas of privately owned lake frontage on Cranberry Lake and on the lakes in the Fulton Chain. Similarly, most of the frontage along the region's two major rivers, the Moose and the Oswegatchie, is privately owned.

It is along waterfront land that the subdivision and development activity is focused. According to local real estate individuals, the number of transfers and the prices paid for these properties have recently surged compared to pre-1986 levels. As in the eastern counties of the Park much of the demand is from the State's more affluent metropolitan areas. In numerous cases these individuals represent the primary market for new subdivisions; it is not uncommon for property to be purchased sight-unseen, at a price far in excess of that which might be supported by the local market. Lake or river proximity is the primary drawing card.

Demand for new homes and building lots also comes from Fort Drum employees. Their higher-than-average government pay scales, combined with a scarcity of available sites, often makes it difficult for local wage-earners to compete in the housing market.

In general, the region has seen more economic decline than prosperity in

the last decade. Not surprisingly, local opinion currently favors some increase in the level of economic activity; however, there is widespread concern that changing economics, especially as they are reflected in higher property values, also affects the status of large landholders. Much of the private land is in the hands of a few large timber companies and clubs. Some of these landholders have already sold thousands of acres to new groups who are likely to have development interests. In contrast to the small lots sizes often created in Essex County, subdivision lots of 40 to 300 acres are not uncommon. This fact suggests a second difference between the eastern and western Park: the demand for western parkland seems to be motivated more by potential investment returns from property appreciation and less by the demand for recreation. Under current economic conditions, the potential for removal of substantial area from the productive forest land base is large.