

FII Survey Questionnaire – 2006

After a reasonable amount of discussion, the Frye Island Board of Directors have determined to make the survey results available to all Islanders to review via the Frye Island website. The Board was split on the wording to be used to introduce the survey results. In order to give the Stockholders the complete view, both a Majority Report and a Minority Report are included. Survey Details are provided in the attached document.

Majority Report

Approved by Ed Charrette, Bob Hannah and Joe Potts

On May 13, 2006 the FII Board of Directors sent out a survey to FII Stockholders. The purpose was to provide the Board some guidance on a number of actions regarding FII-owned real estate. The primary driver for the survey was a sale/buy-back concept that four of the five Directors on the FII Board were supporting. A nine page white paper was included with the survey to provide the Stockholder with an understanding of the sale/buy-back concept; two of the nine pages provided views of the one Board Director that opposed the sale/buy-back concept.

The deadline for returning the completed survey was set at June 15, 2006. A very precise technique was designed to tally the results of the survey in an Excel spreadsheet. A great deal of effort was taken to insure that each of the surveys submitted was recorded accurately. In many cases, the stockholder annotated the survey questionnaire with questions and comments. All of those annotations were captured in the tally.

There is one share of stock associated with each Frye Island lot owned, except for lots owned by Frye Island Incorporated (FII) and the Town of Frye Island; they have no stockholder status. There are 848 stockholder votes possible in FII. There were 283 completed questionnaires returned, a 33.4% of stockholder votes.

Now that the survey questionnaire process has been completed, it is unfortunate to report that the design of the survey wording and the process used to mail out the surveys have some serious faults. The following bullets summarize these faults:

- A copy of the survey was not mailed to 88 of the stockholders that own lots that have been merged by the Town tax assessor, e.g. a privacy lot associated with a cottage. This was an innocent administrative error, thinking that the Town database could be used as a direct mailing tool, but it short-changed 88 of the most active Islanders of a survey vote.
- FII owns three kinds of property: waterfront lots, inland lots and large parcels of bulk land. Questions II.A and II.C lumped all three kinds together, not allowing for differentiated answers.

- Three of the questions (II.B, II.E and II.F) stated as fact that a FII waterfront lot(s) is unbuildable. This is not a fact. If your only avenue is traditional construction techniques, a potential buyer may conclude that a lot is unbuildable. Alternate forms of construction (e.g. leech field on another lot) or newer technology (e.g. a sewage system that does not require a leech field) may make a wet lot buildable.
- In question II.C, the concept of using FII assets to fund major Town infrastructure projects was worded so poorly that even someone who supports the concept could not cast a “Yes” vote. It would not be necessary “to prevent a lot owner from building” or to increase the “ultimate count of total cottages” to use FII assets to fund major Town infrastructure projects.
- The wording in question II.D and the white paper on the sale/buy-back concept the wording were biased towards a “Yes” vote. For example, the words “a much larger number” in the survey question implies something higher than the number 3 stated at the 7/1/06 Stockholder meeting. At the 7/1/06 meeting, the Stockholders were so concerned about the FII Board selling buildable waterfront lots, a motion was passed with a 95% majority to require stockholder approval prior to any sale of buildable waterfront lot in the next 14 months (time of first Stockholder meeting in 2007). Another example that the II.D question was poorly worded was that the Frye Island Conservation Commission has gone on record opposing the sale/buy-back concept.
- The financial cost to Frye Island (stockholders, tax payers) of answering the questions one way or the other was not given to the stockholder, forcing a definitive answer without all of the facts. A stockholder was not even given the option of giving a “none of the above” or a “don’t know” answer. For example, in question II.F the cost of converting those lots to a public beach is roughly \$250,000 since the lots are actually buildable. Also, there were no facts presented that would demonstrate that another beach on the Island is needed.
- Question II.E attempted to put into very simple terms the question of adding moorings on Frye Island. This is a very complicated issue. The Town Planning Board has held multiple meetings and multiple public hearings on moorings, going through more than a dozen drafts of how it might be done. The end result was that no agreement was reached. A simple-minded question like II.E does nothing constructive to help the process of getting more moorings on the Island.

The FII Board of Directors has concluded that the tabulated results of the questions in Part II of the survey are of questionable value. Since the Board feels strongly about complete transparency and full communication to the FII stockholders, we are providing a complete copy of the survey results on the Frye Island website; to maintain stockholder privacy, any reference to lot number or stockholder name was removed from the posted results. It does include all of the annotated comments from the stockholders. We caution the use of the results of any of the Part II questions in making future decisions.

Minority Report

Approved by David Gleeson and Phil Perry

On or about May 13, 2006 the FII Board of Directors mailed a survey to FII Stockholders. The survey's primary purpose was to gain insight and seek guidance from the stockholders on a Sale-Buy Back proposal as well as to obtain their views on other real estate owned by FII. The deadline for returning the survey was set at June 15, 2006.

As you read the survey results, please be aware that certain elements of the survey were the subject of intense scrutiny by a few stockholders. These concerns were voiced and are recorded in the July 1st 2006, FII Stockholder Minutes. They are as follows:

- (A) A majority of the Board had established a different agenda, and subsequently different ideas from the somewhat coordinated agendas and general understanding between the different Boards on the Island.
- (B) The questions were constructed in such a way as to produce a certain bias.
- (C) Used the survey to violate the expectations that all stockholders entrusted the FII Board to pass assets to the Town, to offset various building and other capital improvements as may be required from time to time.
- (D) The manner in which the survey was presented was done in such a way that the stockholders had little or no idea what it was that they were participating in.
- (E) Other concerns expressed concern regarding potential tax liability issues associated with the Sale-Buy Back proposal.

The former FII board believed they were acting in the best interests of the majority of the stockholders in proposing a possible way to reduce the overall number of houses on the island (and thus reduce the strain on island infrastructure). Others believe that there are better ways to utilize FII assets.

The entire matter of the Sale-Buy Back proposal has been deferred until the FII board meets on August 11, 2006.

In order to more fully understand the proposal's basic tenets, we urge you take the time to review the FII Real Estate Policy of September 2004 (available on line at the town website) before studying the survey results.

FII Survey Report

August 16, 2006

This document reports on the results obtained from a questionnaire circulated to the stockholders of Frye Island, Inc. In the sections that follow, we report on the responses to each of the opinion questions contained in Part III of the questionnaire, together with comments that were appended. Then, we provide some statistics from Part II on preferences expressed concerning plans for the use of undeveloped lots. Finally, we include four letters that were returned along with the questionnaires, as well as a copy of the questionnaire itself.

Returns

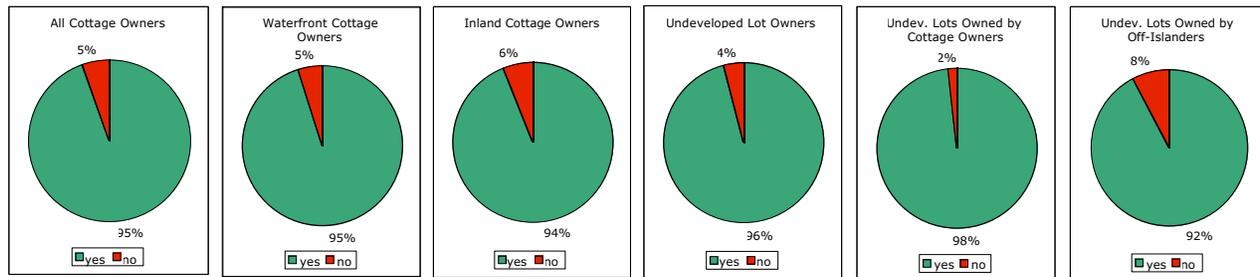
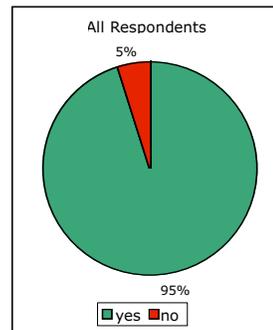
A total of 764 questionnaires were mailed, one for each separately owned lot. (A merged set of lots under common ownership was sent one questionnaire.) The number of questionnaires received back was 287, a quite good 37.6% return rate.

| | | |
|------------------------------------|------------|------------|
| Number of Questionnaires returned: | 287 | |
| Location of lot | | |
| Waterfront | 102 | 36% |
| Inland | <u>181</u> | <u>64%</u> |
| | 283 | 100% |
| Type of Lot | | |
| Cottage | 174 | 61% |
| Cottage under Construction | 15 | 5% |
| Privacy Lot | 6 | 2% |
| Undeveloped/Buildable | 88 | 31% |
| Undeveloped/Unbuildable | <u>4</u> | <u>1%</u> |
| | 287 | 100% |

Responses to Part III Questions

III A: Should FII sell lots to abutters as privacy lots with restrictions against building on them?

| | | |
|-----|-----|------|
| Yes | 268 | 95% |
| No | 14 | 5% |
| | 282 | 100% |

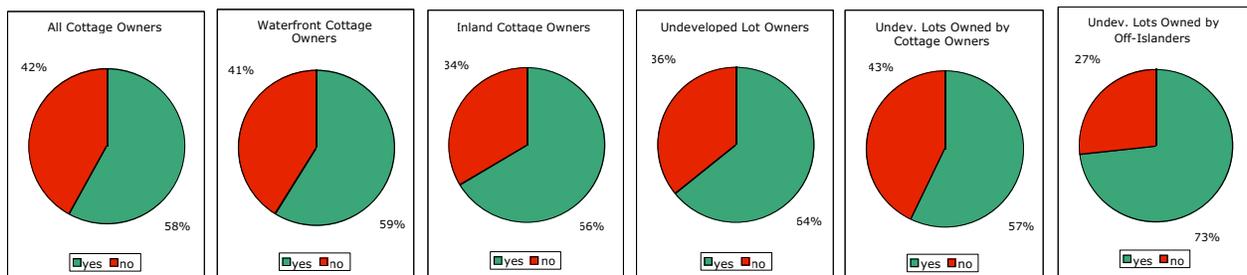
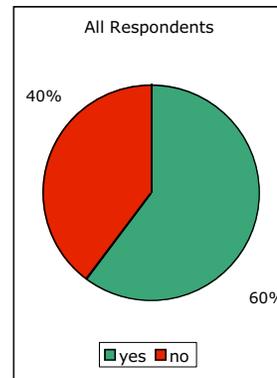


Comments:

| # | Question III A |
|-----|--|
| 16 | Yes. As long as they are at current market value (not assessed) as market is significantly higher than assessed value. |
| 22 | Yes. Assuming lots retained their natural state, i.e., no clearing of the land. |
| 62 | Yes. At the going rate, minus 25% (or whatever the current by-law states). |
| 64 | Yes. But only if non-waterfront. Otherwise, no! |
| 66 | No. If you want to put build restrictions on FII lots, don't try to get us to do it & pay FII on top of it. |
| 137 | No. Keep as greenspace |
| 141 | Yes. FII should sell privacy lots to abutters, but without restrictions against building on them. |
| 206 | No. Keep as public spaces. |
| 214 | Yes. I can't see what value this would be to the buyers. They won't be built on anyway, or are these buildable lots? |
| 233 | Yes. But for a very cheap price (see letter) - \$5,000 at most. (There are ~2,000 lots available = \$10,000,000) |
| 248 | Yes. Maybe be able to put a shed on them. |
| 253 | Yes, provided it remains private and isn't later developed. |
| 286 | Yes. A very loud yes |
| 287 | Yes. A very loud yes |

III B: Should FII sell unbuildable waterfront lots to inland cottage owners to give them waterfront and mooring access?

| | | |
|-----|-----|------|
| Yes | 168 | 60% |
| No | 111 | 40% |
| | 279 | 100% |



Comments:

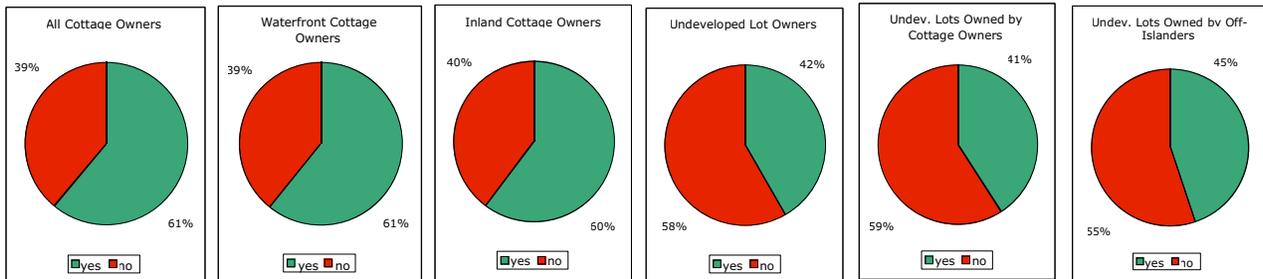
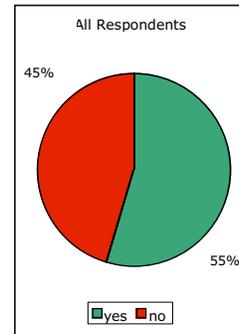
- | # | Question III B |
|-----|--|
| 16 | No. Waterfront property is a rare commodity & should be held as an asset until last resort. |
| 34 | No. People will be building storage sheds, etc., on those lots. Some real fancy sheds. III |
| 38 | Yes. But only if taxed as waterfront lots and proceeds used to buy up back lots. |
| 59 | Yes. Due to already overcrowded infrastructure. |
| 60 | No. Keep as is. |
| 63 | No. Keep as open land. |
| 81 | Yes. As long as no improvements can be made such as clearing of trees, docks. |
| 144 | No. Should be available to all cottage owners |
| 191 | Yes. Some, not all. |
| 206 | No. Instead of selling, consider renting. |
| 225 | Yes. Would consider. Consider converting to public beach - mooring sites. More than one mooring site - charge for moorings or sell to group for privacy beach/mooring. |
| 243 | Yes. Consideration should be given for retention of one or two lots for public access to water. |
| 246 | (no boxes checked) Would want to first know the number of unbuildable waterfront lots the town owns & would make available for sale and keep for future beach access. |
| 248 | Yes. As long as you can build a garage or shed. |
| 253 | No. Fear of lots being opened up. Fear of too many moorings, trees removed, etc. Loss of green space. III |

- 264 No. Discriminatory
- 279 No. Unbuildable lots should be used for common benefit of all residents.

III C. FII may choose to sell some selected buildable lots, at a time advantageous to the Island, as a means for financing large Town infrastructure investments (e.g., ferry or water system expansions) and to minimize tax increases.

III C 1: Would you approve such sales if each such sale prevented one more private lot owner from building because of the 750 cottage (septic system) ceiling imposed by the Portland Water District?

| | | |
|-----|-----|------|
| Yes | 148 | 55% |
| No | 123 | 45% |
| | 271 | 100% |



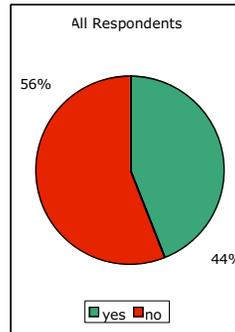
Comments:

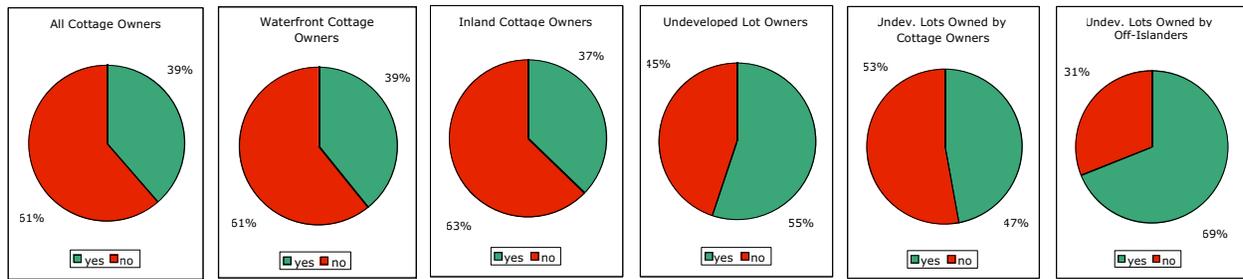
- | # | Question III C 1 |
|----|--|
| 4 | (no boxes checked) I don't understand. If you sell it, won't someone build on it? Or would this be selling a "privacy lot" with building restrictions? |
| 16 | (no boxes checked) Likely but depends. Want to understand the infrastructure investment in question to determine if really needed. |
| 34 | No. One for one? What would this accomplish? |
| 53 | No. Sell interior & next to lots to improve existing amenities. Take care of the structures we have, improve store, golf club, lounge & restaurant, putting green & driving range. Why should we stop others from enjoying what we enjoy? We won't be here 30 years from now when it's built out! Growth permit on waterfront lot would be 2014? There are waterfront lots for sale with sooner permits that aren't selling. |
| 63 | No. You are going about this the wrong way. FII owned a lot of land & under the "Vic Richards" years, selling FII lots was pushed. You created this problem and now the genie is out of the bottle. |

- 66 No. Conversion factor needs to be much higher than 1 to 1.
- 103 (no boxes checked) There should be a third choice for selling higher priced lots after buying lower cost lot as per current policy.
- 124 Yes. This should be done now. Do this any way possible. Do it now!
- 148 No, too early to decide until we start reaching the limit.
- 183 (no boxes checked) Undecided
- 184 (no boxes checked) Undecided
- 185 (no boxes checked) Undecided
- 206 (no boxes checked) Do not understand question.
- 216 Yes, if it served the benefit of the majority of homeowners on this island.
- 217 No. I have seen this phrase (prevent one or more private lot owners from building ...) repeatedly and as a tax paying lot owner it concerns me that my town seems to at all costs prevent me from building. The building restrictions (i.e. permits etc.) make me very concerned that you want my taxes without wanting me to build.
- 225 No. Probably not because of tax issue.
- 253 No. This makes no sense. If a person already owns a buildable lot, FII's selling of another buildable lot is a separate issue and won't stop the private lot owner from building.
- 264 Yes. Who are you selling to who isn't going to build.
- 278 No. But to minimize tax increases due to such large investments only.
- 284 (no boxes checked) Question is moot.

III C 2: Would you approve such sales if the 750 cottage limit were not a factor and other cottage owners were not bumped, but where each such sale resulted in one more cottage in the ultimate count of total cottages on the Island?

| | | |
|-----|------------|------------|
| Yes | 116 | 44% |
| No | <u>148</u> | <u>56%</u> |
| | 264 | 100% |



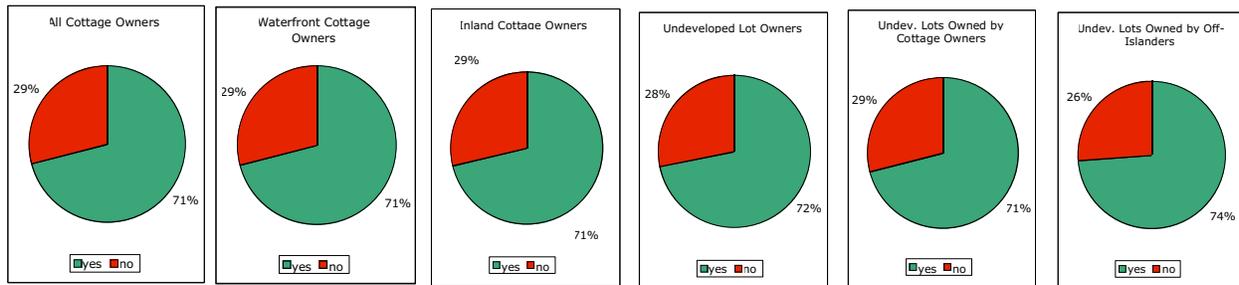
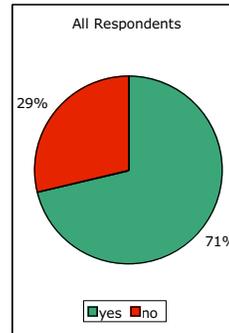


Comments:

- | # | Question III C 2 |
|-----|--|
| 13 | Yes. But wouldn't selling a lot for capital be counterproductive to the whole purpose of the sale/buy-back program being proposed? |
| 16 | (no boxes checked) Again depends on what the infrastructure investment was. Too general to answer blindly. |
| 60 | No. FII needs to keep what it owns and put it into conservation land. |
| 63 | No. Stop selling off FII land and put it into conservation. |
| 103 | (no boxes checked) There should be a third choice for selling higher priced lots after buying lower cost lot as per current policy. |
| 124 | Yes, this should be done now. Do this any way possible. Do this now! |
| 148 | (no boxes checked) Not clear. |
| 157 | No. We're answering no because we would prefer to stay below 750. |
| 183 | (no boxes checked) undecided |
| 184 | (no boxes checked) undecided |
| 185 | (no boxes checked) undecided |
| 206 | (no boxes checked) Do not understand question. |
| 216 | No. Unless the resources were to finance infrastructure needs. (Editor interpreted as a "yes" since the question does state that selling is indeed to finance infrastructure needs.) |
| 225 | Yes. More so than C1 but still question tax issue. |
| 233 | Yes. But only if the 750 cap is never exceeded. |
| 243 | Yes. But only in extreme circumstances. Generally, fewer cottages = a more peaceful, pristine Frye Island. Would like to see far less than 750. |
| 253 | No. Stop selling buildable lots -- stop giving out more building permits. This island is choking to death already. Freeze all! |
| 257 | No. Question poorly stated? Vague |
| 278 | Yes. But to minimize tax increases due to such large investments only. |

III D: Should FII consider selling one high price waterfront lot in order to use the funds to buy back a much larger number of privately owned buildable inland lots, thereby reducing the ultimate total number of cottages on the Island (see attached whiter paper for details)?

| | | |
|-----|-----|------|
| Yes | 199 | 71% |
| No | 81 | 29% |
| | 280 | 100% |



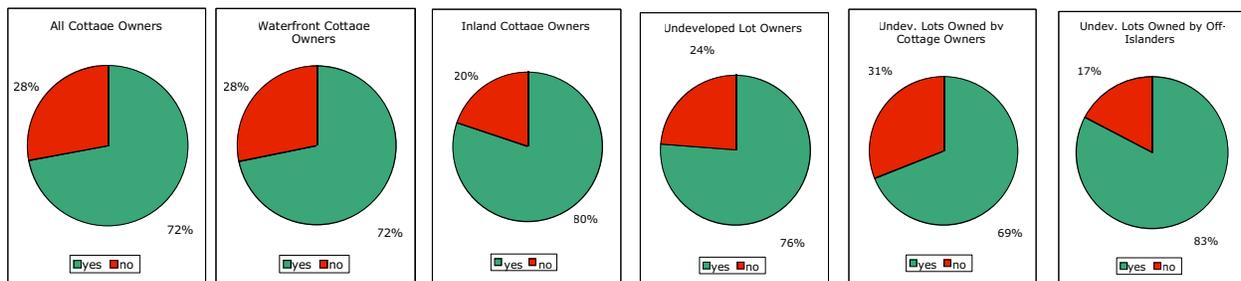
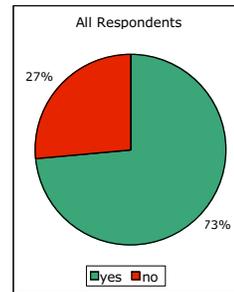
Comments:

- | # | Question III D |
|-----|---|
| 8 | No. 1031 Exchange has timing restrictions (I.D. lots within 90 days). That would make this part of the proposal impractical. Selling a developable lot and exchanging (1031) to a undevelopable lot may not get favorable acceptance by the IRS. I.e., it is not a "like" exchange. |
| 16 | No. I agree with many of the opposition's points & being in the mortgage lending business, they are right on the values. |
| 23 | Yes. But the devil is in the details. |
| 37 | Yes. But who will do this? Meaning sell? |
| 48 | Yes. Depending upon the number of lots that could be retired. |
| 59 | Yes. Soon!! To avoid a rush to get lots on the waiting list as was seen in recent PWD proposed restriction plan. |
| 63 | No. FII should hang onto all FII land and even one waterfront lot can be set aside as conservation and used to picnic or hike on. |
| 89 | Left blank but put a yes since he noted: "Price & trade dependent" So looks like he approves if done right. |
| 95 | No. Pilot program is a good concept. Too many unanswered open questions, i.e., 1031 exchange viability. |
| 106 | (no boxes checked) Gave comment: We think selling one waterfront & bringing total # below 750 so that if we ever need to fund water system, ferries, etc., we will be able to sell one buildable waterfront lot. We do not feel it is in our best interest to sell off our assets. |
| 137 | No. Once the large waterfront lot is gone (and it's actually more than one lot) it's gone forever. I object to this strongly. |

- 148 Yes. But at some later date when waterfront values are relatively higher than inland lots.
- 179 Yes. Only if you have other lots ready for purchase at the same time
- 216 No. This questionnaire has already inflated the value of inland lots. Waterfront lots are our "ace-in-the hole" for emergency use.
- 221 Yes. Subject to restrictions in my comments (one given).
- 225 Yes. Try it - feel 10 is overstated - 5 or 6 more likely number of lots for one waterfront - and only if we are sure no tax issue.
- 253 No. I don't truly believe there would ever be enough inland privately owned lot owners willing to sell their lots. (We have made a generous offer to an abutter who owns a wet, unbuildable lot privately and he still won't "let go." The goal would be that it could sell expensive waterfront lots, then use the money to buy a much larger amount of "cheaper inland lots." I am very curious what waterfront lots would be combined and sold, and how it can be assumed there will be so many inland owners willing to sell at a low price, especially once the realtors get involved. Stop the selling and permits somehow. Regarding the "sell and expensive double/triple waterfront lot to buy cheap private inland lots:" To sell mega waterfront lots is encouraging the building of more monster homes like those popping up already with 12 bedrooms. I didn't think B&B's were allowed here. Even the gigantic family homes will be contributing to the strains of infrastructure, traffic, ferry, noise, parties, police. Many will be sitting with many cars, boats, PWC's. How does this solve the problems? It also serves as a source of frustration in that these homes are out of synch with a typical Frye Island cottage. And what will happen to the taxes I will then be forced to pay, which are already outrageous, when the reassessments are done based on the neighborhood? It is not fair. We don't even have a cement basement. We have already seen too much growth in our 20+ years here. Change the limit. Stop it all.
- 264 No. Most people would command top dollar, not \$13K, for example.
- 278 Yes. But only if Section 1031 exchange is possible.
- 282 Left boxes blank, editor entered yes. There seems to be many reasons why this may not work out as described, but I guess trying it once to see the outcome is reasonable. (If you were certain there would be no negative tax consequences).

III E: FII currently owns seven lots on the sheltered southeast side of the island that cannot be built on (lots 1607 through 1613). Do you favor the idea, in principle and so long as the Planning Board and Marina Committee agree, of equipping one or two of these lots with parking and a dinghy dock, thereby providing access to a set of boat moorings for inland cottage owners?

| | | |
|-----|-----------|------------|
| Yes | 201 | 73% |
| No | <u>73</u> | <u>27%</u> |
| | 274 | 100% |



Comments:

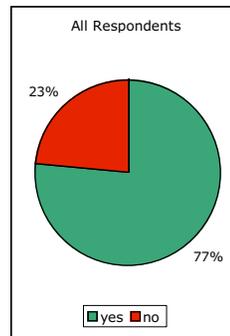
Question III E

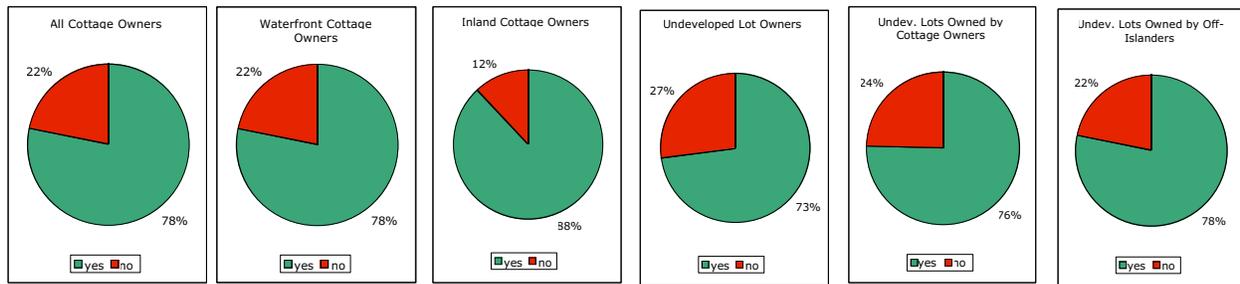
- 13 No. Not if the parking lot & dock are installed at taxpayer expense because that would really only be a benefit to a small number of islanders. I wouldn't moor a boat there because I'm at the other end of the island.
- 16 Yes. If the cost of moorings would subsidize the cost of building the parking/dock. Otherwise, no.
- 23 Yes. But FII should make money from such access.
- 40 Yes. If limited to inland owners only.
- 58 No. Too many boats already
- 59 Yes. Due to already overused/unavailable facilities.
- 60 No. Leave as is!
- 116 III E & F: Stated: one or the other, not both, so left both choices blank
- 136 Yes. Put explanation marks after "yes" entry
- 197 (no boxes checked) Added comment of "cost??"
- 205 Yes. If there is a need for this - with an area this size, couldn't it be used for a public beach too? Or are there beaches not sandy -- but clay?
- 206 Yes. As long as lots are not sold, and FII maintains all rights & ability to control all users.

- 214 (no boxes checked) ? Will this generate income, thereby reducing taxes?
- 217 No. You talk about more concerning matters of ferry and water system. What would this cost?
- 225 Yes. At a charge or try to sell to group for private beach mooring rights.
- 227 No. Put mooring field off Long Beach
- 253 (no boxes checked) Provided those with moorings (some are already there) who use it pay taxes for this use. We waterfront owners pay so much more in taxes and deserve to have a mooring. Why should someone inland paying much lower taxes get to have their moorings without making additional contributions for it. I am not saying tax all moorings at all. I feel waterfront taxes should include this right.
- 264 No. Put moorings at the sandy public beaches where they are going to go moor and swim at anyway. Comment on "equipping one or two of these lots with parking and a dinghy dock:" This is how you save money?...
- 278 No. Can revisit this topic once marinas' spaces are filled to capacity. All moorings in front of public beaches and any requested by non-waterfront property owners should be controlled & regulated by the marina committee .
- 286 No. Not without abutters opinion. Not without better plans and drawings.
- 287 No. Not without abutters opinion. Not without better plans and drawings.

III F: FII also owns two lots (1601 and 1602) just east of Emerald Point that cannot be built on. Do you favor the idea, in principal if the Planning Board, BIT, and Portland Water District agree, of converting these two lots at reasonable cost to a public beach?

| | | |
|-----|-----------|------------|
| Yes | 209 | 77% |
| No | <u>64</u> | <u>23%</u> |
| | 273 | 100% |





Comments:

- | # | Question III F |
|-----|---|
| 16 | No. Has costs with only limited, if any, benefit to most home owners. Would approve if Emerald point owners funded beach costs. |
| 60 | No. Leave as is. |
| 63 | No. Leave as is and put into conservation for people to just walk on. |
| 104 | (checked both boxes; interpreted as qualified yes) Not public, just Islanders. |
| 116 | III E & F: stated: one or the other, not both, so left both choices blank |
| 120 | Yes. But also build Beach #2, which has already been set aside |
| 136 | Yes. Put explanation marks after "yes" entry |
| 150 | Yes. If good beaches that people would use |
| 197 | (no boxes checked) Comment of "cost??" |
| 205 | Yes. Only if there is a need for a beach at that location. |
| 207 | Yes. Absolute must! |
| 214 | No. What's the cost? Lots of beaches already? |
| 217 | No. More info. What would this cost? We have lots of beaches. |
| 225 | (no boxes checked) Not sure. Would want additional information. Why needed? Why there? What are other potential uses. Sell to Emerald Point group for private beach/mooring area. |
| 227 | (no boxes checked) Only if abutters agree |
| 243 | Yes. Consideration should be given to the construction of kayak/canoe racks for property owners to use at a location such as described (1601/1602) or a portion of those lots. |
| 248 | Yes. Please convert the ones you have that should have sand, not rocks. |
| 253 | (no boxes checked) If they are truly suitable to be a beach. They look small. Is there sand enough? |
| 264 | No. We already have unutilized public beaches. |
| 282 | Yes. Definitely. The town needs to improve /expand existing beaches (where possible) and develop new ones. |
| 286 | No. Waste of money. All beaches are underutilized now. There is a beach at that area now - #11. |
| 287 | No. Waste of money. All beaches are underutilized now. There is a beach at that area now - #11. |

Comments on Other Questions:

| <u>#</u> | <u>Comments on Other Questions</u> |
|----------|---|
| 19 | II.D.2: No, waiting for engineering report on septic system upgrade. |
| 87 | II D 2: States does not have a growth permit but "I want one! We have waited 20 years to build a cottage. Note also, Mr. O'Grady also wrote a thoughtful separate letter. |
| 78 | II D 2: Doesn't know what a growth permit is |
| 79 | II D 2: Doesn't know what a growth permit is |
| 235 | II D 2: Doesn't know what a growth permit is. |
| 248 | II D: Undeveloped Lot: Most people do not know where their deed is, or what it says. This is something for a title examiner to do. |

General Comments:

| <u>#</u> | <u>General Comments</u> |
|----------|--|
| 47 | I think these are great ideas to help avoid problems in the future. |
| 51 | Please do not totally abolish the growth permit. It appears to be the only way to retain woodlands, protect bird & animal habitat, preserve quiet, tamp down traffic noise (construction noise included) and hold down infrastructure costs. We love FI as a woodland, not a suburb with heavy development |
| 59 | Also, reduce permits to 9 per year (not 15) because it really takes 2 years to finish a developed lot, resulting at present up to 30 lots under construction -- Too much!! |
| 62 | How can you properly evaluate what the stockholders want without them? I strongly feel it's a mistake to sell any of our land. Once it's gone (to a few lucky people) we can never get it back. N. Fournier |
| 63 | I am all for conservation land (You shouldn't have sold this public land in the first place.) You shouldn't sell land you already own to buy back land you sold. Put taxes in a kitty to buy land that comes on the market. |
| 135 | Plans to build a small camp for retirement |
| 191 | Some type of conservation plan needs to be put in place today -- so that overbuilding does not take place. We favor anything that will limit growth on the island -- so that services and land are not over taxed. |
| 219 | Support my husband's feelings. Plenty of green space already on F.I. Attack water system problem now!!! |

Summary of Part II Findings on Undeveloped Lots

| | | |
|--|-----------|----------------------|
| A. Number in Sample | 88 | 100% |
| B. Usage Plans | | |
| 1. Might Sell | 43 | 49% |
| 2. Might Build | 54 | 61% |
| a. For Sale | 18 | 33% of "Might Build" |
| b. For Own Use | 50 | 93% of "Might Build" |
| 3. For Privacy | 14 | 16% |
| C. Have a Growth Permit? | | |
| Yes | 47 | 58% |
| No | <u>34</u> | <u>42%</u> |
| | 81 | 100% |
| D. Willing to Sell Buildable Lot to FII? | | |
| Yes, at full price | 35 | 45% |
| Yes, at reduced price | 7 | 9% |
| No | <u>36</u> | <u>46%</u> |
| | 78 | 100% |
| E. Willing to Donate Unbuildable Lot to Town of FII? | | |
| Yes | 0 | 0% |
| No | <u>4</u> | <u>100%</u> |
| | 4 | 100% |

Letters

Presented below are the four letters that were returned with the questionnaires. The writers' names have been removed.

The Frye Island Open Space Survey

Hi Wayne!

You might remember me only because my wife XXX & I sat in on the last Selectman's meeting, not having realized the meeting regarding growth permits had to be postponed. Sitting in on the meeting wasn't all for not, as we came away with a flavor of the board's position on some things.

Regarding the survey, although we appreciate having the opportunity to participate, it seems to us we haven't had enough time to know the island or the people & politics enough yet to make educated decisions to the survey questions.

I would however like to suggest that you consider looking into how the island of Nantucket is handling open space. At the time of sale of any property or dwelling there is a open space fee which goes directly to the Town for purchase of open space. As I understand it, this amount is significant, enough so much land has been purchased & kept open & from development. There is no burden on the current owner, only the buyer & evidently considered by those that do buy as the price of living on an island!

Regarding the strain of new utilities, my thought would be to include something in the fee to tie into the system.

It would seem to me that current owners shouldn't bear the cost of new development, those that develop should.

Although I said earlier I wouldn't participate in the survey formally, selling current open space in particular that on the waterfront I don't think long term & looking forward is in the town's best interest. As growth continues, we might need this space & once it's gone, it's gone.

Siincerely,

6/3/06

Wayne

If FII is really looking for:

- ① A way to reduce buildable lots and
- ② A financing vehicle to accomplish this

then you should really consider the
sale of privacy lots for a low cost.

How many
lots available
adjacent to
homes?
X \$ =
a lot of
money!!

If priced properly (\$5,000 - 10,000), you
would most likely be able to raise quite
a bit of funds and reduce inventory
of buildable lots ~~by~~ thru reduction of
available lots and by ~~\$~~ applying
the proceeds of these lots to purchase
already crossed buildable lots.

When you think about it, there
is no reason not to try this... →

What is ~~the~~ worse thing that
happens - no one buys a lot?!

← Thank ---

PS - , says he also ^{can} show you
how to make this a ^{tax} deductible event
for the people buying the lots.

← Thank ---

March 25, 2006

Board of Directors,
1 Sunset Road
Frye Island, ME 04071

Dear Frye Island Inc, Board of Directors:

Enclosed is our survey response regarding the Sale/Buy Back Program. We would like to further comment on the program and specifically, how it relates to the current Growth Permit Ordinance.

The Sale/Buy Back is a great idea and deals most directly with what we believe are the real concerns which brought about the Growth Permit Ordinance. The Sale/Buy Back would be an effective and fair means to limit the ultimate growth on the island. The Growth Ordinance is both ineffective and unfair. In fact, it is counter productive to the goal of reducing the ultimate island growth and will undermine the Sale/Buy Back Program.

The Sale/Buy Back Program must be considered in context with the current Growth Ordinance, which does not allow for readily available Growth Permits. Waterfront lots sold by FII would be undervalued (no building permit) and the inland lots bought on the market would be overvalued. Today's market for FII lots has been driven up by the limited supply of Growth Permits, with many people lining up to get a Growth Permit, then selling (or building/selling). The artificial limit of build able lots has driven up the value of lots with permits and guarantees the start of 15 homes each year (no matter the real demand for homes). The Sale/Buy Program would have to compete for these high price lots (or the perception of high value when a growth permit becomes available), and FII would have to sell today, waterfront lots with no current prospect of getting a growth permit.

Lots sold by FII under the Sale/Buy Back Program should not include a Growth Permit until all existing FI lot owner have obtained a permit (if desired). It would not be fair for a buyer of a \$300K waterfront lot to jump ahead of any inland FII lot owner of modest financial means. It would not be fair to undermined the limit of 15 lots per year by increasing this number to 16 or 17, given the stated reasons for the limit and the fact that current FII lot owners have not been given such an option.

The Sale/Buy Program is a direct solution to growth control and should have been the original approach to limiting growth. For the Sale/Buy program to succeed and be fair, the Growth Ordinance Permit program must end. We have been visiting FI for 25 years and have owned a lot for nearly 20 years, yet we cannot build a camp. Many others want only to sell a lot and have used the Growth Permit approach to maximize their return. We hope the Board will examine the Sale/Buy and Growth Permit programs together when determining the best approach to limiting growth, optimizing town costs/tax revenue and being fair to all current FI owners.

Thanks for your attention.

Frye Island, ME 04071

June 10, 2006

Dear Frye Island, Inc. Board of Directors:

I recently received your white paper/survey regarding the proposed sale/buy-back program. After completing the survey, I had some questions, as well as proposals regarding additional alternatives to the buy-back program.

I'm sure the Board has addressed these topics, however I thought I should mention them.

1. Would it not be a better use of Town assets to first try to sell as much of the 25 acres on Raymond Cape Road that the Town purchased last year for the buy-back program rather than the waterfront property?
2. What if the Town were to subsidize the purchase of privacy lots in exchange for restrictive covenants being placed on the lots? That way an abutter, who purchases an adjoining lot with assistance from the Town, may still have (limited) use of the lot for such structures as a shed, or tree house for kids, etc.
3. If the Town were to sell its waterfront lots, would any restrictive covenants be placed on the land? As noted in your white paper, many people bought onto the island because of its relaxed way of life. Developers who build McMansions such as the ones on Emerald Point or other rental type dwellings threaten that peacefulness.
4. Also, what effect, if any, will the sale of the waterfront property have on the Town beaches? And how many inland lots is the Town (realistically) expecting to be able to buy back from the sale of the waterfront lots?
5. Lastly, absent exercising the Town's eminent domain powers, is there a means to pass legislation that would further limit the number of homes on the island?

I hope these questions/suggestions proved useful. Thank you for your time.