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**Minutes of the Commission Meeting
Held on November 17, 2005
In the Stone Building
33 New York Avenue, Oak Bluffs, MA**

IN ATTENDANCE

Commissioners: (P = Present; A = Appointed; E = Elected)

- | | |
|---|---------------------------------------|
| P James Athearn (E – Edgartown) | P Ned Orleans (A – Tisbury) |
| P John Best (E – Tisbury) | P Megan Ottens-Sargent (E – Aquinnah) |
| P John Breckenridge (A – Oak Bluffs) | P Deborah Pigeon (E – Oak Bluffs) |
| P Christina Brown (E – Edgartown) | P Jim Powell (A – West Tisbury) |
| Carlene Condon (A – Edgartown) | Doug Sederholm (E – Chilmark) |
| P Martin Crane (A – Governor Appointee) | P Linda Sibley (E – West Tisbury) |
| P Mimi Davisson (E – Oak Bluffs) | P Paul Strauss (County Comm. Rep.) |
| P Chris Murphy (A – Chilmark) | P Andrew Woodruff (E – West Tisbury) |
| P Katherine Newman (A – Aquinnah) | |

Staff: Mark London (Executive Director), Bill Veno (Senior Planner), Paul Foley (DRI Coordinator), Christine Flynn (Affordable Housing & Economic Planner)

Linda Sibley introduced Donna Stewart, the new administrative assistant.

1. MARTHA'S VINEYARD HOSPITAL

For the applicant: Tim Walsh, CEO, Martha's Vineyard Hospital; Tim Sweet, Hospital Trustee

Tim Sweet said they would like to address Commission concerns and questions. He understood that at the last meeting with the hospital's representatives, there were questions from Commissioners about decisions that had been made, particularly about the location of the hospital. He described the brochure that explains the renovation/rebuilding plan. Presently fewer questions are raised about if a new hospital should be built; there seems consensus that a new hospital building is needed. The questions are how and where, how much it will cost, and what services it will provide.

Tim Walsh explained the process that led to the proposal to build on the current site at a projected cost of \$42 million.

- Planners had a proposal to tear down all of the existing hospital and rebuild on site for \$50 - \$55 million but heard from the community that the project was getting too expensive.

- The core concern at the hospital is to have new clinical services space with an emergency room, laboratory, x-ray, in-patient services and women's services.
- The \$42 million dollar proposal is for new construction for clinical service space to meet current code. The 1972 building would be renovated for administrative space and out-patient services.
- Moving to a new site has a projected cost of \$71 million, which includes the cost of moving Windemere and building new administrative space.
- Moving the hospital and leaving Windemere doesn't seem feasible. Windemere shares wastewater, kitchen, therapy, accounting, payroll, human resources, and director of general services. Supporting those services by itself would prevent Windemere from operating in the black, which it currently does only narrowly.

Tim Walsh explained the financial feasibility of the projected costs. He believes that the hospital budget can withstand the expense of a \$42 million building. He said he can't make \$71 million work in the go-forward years of the hospital, including the determination of need cost of 5% for community services.

Tim Sweet said Tim Walsh's grasp of the numbers has helped make the hospital successful. He outlined some of the reasons for staying on site:

- When they started planning, they were convinced they were moving, but they didn't find a suitable location.
- They couldn't find any land that was semi-commercial and no one was interested in seeing a brand new hospital next door. There isn't much interest in re-zoning for medical zoning and for helicopters.
- Cost, land availability and neighbors are the three issues. He said the current plan isn't his first choice but he believes that there is not a viable way to move and come up with the money.

John Best asked if planners had included Windemere staying when they calculated the gain on the land sale. **Tim Walsh** said the land is appraised at \$9 million. There are about 8 acres with special zoning. He didn't pursue the land value in any depth because they couldn't get past the \$71 million projected cost.

Jim Athearn asked about feedback for rezoning. **Tim Sweet** said a big concern from the Oak Bluffs planning board was taking another 1.5 acres off the tax rolls. Conceptually, the planning board was not supportive of rezoning an area for medical use and no one could think of an appropriate space.

John Breckenridge said he spoke with John Bradford about rezoning. If the hospital were to move, a potential new owner or developer would have to go through Town Meeting and have the existing site re-districted. For a new site, the hospital would probably have to go through Town Meeting to have new land zoned medical.

Mimi Davisson said she is a proponent of having key issues of the future be debated in public. She asked if they have been having public discussions in helping the hospital make this choice.

Tim Sweet said over the last two years they have talked to a great number of people. This is a major public facility being built with private funds, which makes it different from a municipal project. He added that one of the criticisms of the hospital has been financial oversight. Planners

have to be sure that they don't create another Windemere situation, which almost brought the hospital to bankruptcy because it wasn't thought through financially. Donors want to give money but they don't want to create a situation that's fiscally irresponsible. Tim Walsh has shown that the hospital can financially support the \$42 million rebuilt/renovated building.

Jim Powell asked for elaboration on the role of the federal government. **Tim Walsh** said not much state money is available; some federal dollars are available.

- The hospital will receive a \$750,000 grant toward the new hospital and \$500,000 for construction and renovation.
- The \$500,000 grant is being applied to re-doing the roof for \$700,000, which has almost been completed. The roof had to be done no matter what the renovation plan is; in the summer they had to shut down the Operating Room for a couple of days.
- They are applying for a grant for the wastewater treatment hook-up to see if they can get help on running the line for \$300,000 - 400,000. They are trying to get ahead on the renovation.
- They will need to replace the two 1972 boilers in the existing plant for \$150,000 each; one hasn't worked for years.

Jim Powell said he is glad to see them working on maintenance.

Paul Strauss thanked Tim Walsh for commenting on the roof and for explaining and re-explaining a number of the issues they dealt with in making the decision about location.

Christina Brown thanked them for coming in. She asked them to elaborate on what they found when they looked for a new site.

Tim Sweet said the 'floating piece' in the Southern Woodlands was a concept in the Southern Woodlands plan but the Oak Bluffs Resident Homesite Committee is supposed to get any land that is earmarked for Affordable Housing.

Chris Murphy thanked them both for coming to the meeting; the hospital serves the public, but there is no public involvement in the way the hospital is run. He said there have been a series of poor decisions related to the hospital:

- It seems ludicrous to keep the hospital on that site; a knoll in the swamp with access by a drawbridge.
- Moving to the center of the Island would seem to better serve the community.
- All the numbers seem outrageous; but if the money is added onto a bad decision then it's a waste. He suggested moving into the future with a good decision.
- He said Windemere should be with the hospital and suggested a ten-year plan to move the facility.
- On the tax issue, if the hospital were truly a public entity under public control, it's possible it could work out with the other towns the loss on the tax roles. It's not fair that Oak Bluffs has the greater amount of public land, but that could be overcome.
- Location is everything.
- Traffic and parking are already an issue; add onto it a major construction site and it's all bad.

Tim Sweet said that when they started the process, he was thinking the same way but reality has a way of creeping in.

- The amount of money the hospital has to raise is unprecedented, but he believes that they can raise \$41 million. He feels that if they push for too much they may lose the whole thing, especially if there were controversy about the site.
- On a new site, they wouldn't be getting a better hospital, just a better location.
- The 1972 building is adequate for administrative and ancillary facilities. The good news is that now that hospital is in the black, they can start doing maintenance.
- They have to make the best with the resources they have. They would be more willing to pursue a new site option if there was a perfect site to choose from.

Ned Orleans said he doesn't have enough information to know whether the hospital should move. He said what he's hearing is that even if the hospital could build on a new location for \$42 million, the only reason they would say no is because there is no site. **Tim Sweet** said that's not totally accurate. **Ned Orleans** said alternative locations need to be evaluated with cost analysis.

Megan Ottens-Sargent asked whether they had considered a swap of the Resident Homesite Lot with hospital land.

Jim Athearn said Commissioners are in the position of second-guessing the hospital's well-considered plan, but it's important to probe and understand. At the last hospital presentation, the architect was asked what he would change about the project. He had said being on the Island because of the cost. And they preferred building on a green [new] site. They had said they were asked to do an analysis of building on the existing site, not on a new site. **Jim Athearn** said the hospital is making a good case for their information but he wondered about the actual figures.

Martin Crane said he thought he heard Tim Sweet and Tim Walsh say that even if another site were available, the hospital doesn't want to jeopardize relationships with donors by proposing a more expensive project.

Linda Sibley said she is disappointed if they have donors who are saying they won't give money if the hospital moves. She would understand if donors are looking at future operating costs. She added:

- The not-in-my-backyard issue is relevant but the hospital shouldn't be intimidated by it. The public benefit needs to be looked at.
- Moving might be feasible if Windemere were left behind. They might sell the rest of the property to a facility that would be compatible with Windemere, such as a retirement community, or an 'aging-in-place' facility.
- If Windemere were sold to a retirement community developer, every problem except that of the new site would be solved.

Andrew Woodruff spoke in support of a retirement community and the Island's need for such a facility.

Tim Walsh said that 70% of Windemere residents are on Medicaid; retirement community projects are higher-end residences that require money up-front. Windemere's Medicaid contribution is at off-island rates, which adds to the financial challenge. If the hospital building is the biggest nightmare, Windemere is the second biggest. Everything is wrong for an assisted living facility. Additionally, the current residents of Windemere would need a place to go.

Andrew Woodruff asked if there were some alternative use for the current facility that could bring more money than now anticipated.

Tim Walsh said he used the figure of \$9 million based on the assessed value.

- The question they had to answer in building a new facility at a new site for \$71 million with a composite life of 40 years is whether they can actually afford to run it.
- In the existing hospital the depreciation was never funded, which added to the hospital's financial problems. In a not-for-profit, depreciation has to be built into the costs.
- The original proposal was to replace the entire hospital on the existing site for \$55 million. In the many forums at which they presented, the response was that \$55 million is too much for a 30 bed hospital.

In response to **Megan Ottens-Sargent's** question, **Tim Sweet** said they talked with Oak Bluff's Selectmen about Resident Homesite property in the Southern Woodlands, but there wasn't an opportunity for the hospital to be part of the plan.

Martin Crane asked about depreciation and maintenance, and whether costs associated with consultant fees would be considered part of the replacement depreciation figures. **Tim Walsh** said all the costs are spread over the useful life of the building.

John Breckenridge asked why a 15-acre site was necessary. **Tim Sweet** said the figure came from master planners and the recommendations were to create additional setbacks to insulate the hospital from a neighborhood.

Tim Sweet said they have tried to be as transparent as possible. The suggestion has been made that the board has made decisions behind closed doors; but they have been developing the plans for over two years and have tried exceptionally hard to be open.

Mimi Davisson said she attended some of the early sessions and agrees that the hospital has been open. She suggested it might be useful to have each town go on record to say they don't have land. She asked for information on the life span of a new building and the volume of business. **Tim Walsh** said the composite life of the building is about 40 years; in projections they are looking at a 30% increase in the over-65 population in the next 25-30 years.

Ned Orleans asked where the geographic center of the population is. **Tim Walsh** said the US Census shows population concentration in Vineyard Haven and Oak Bluffs concentration.

Chris Murphy said it was important that meetings be transparent but he wasn't aware that hospital board meetings were public. He said a series of bad decisions are indicative of the need for a public board with public accountability. He doesn't see why the community should expect the hospital to make good decisions when its track record is so bad. He said the financial record over the last few years is much improved. Taking a show on the road isn't the same as having a transparent decision making process.

Tim Sweet said that they have to deal with the bad decisions on a daily basis. Public management is appropriate for public funding. The public should be participatory and be part of the process but I'm not sure the most efficient management of the institution is a public one.

Mark London said he doesn't understand the annual cost of depreciation; if there were two facilities with the same square footage, why would the cost of maintaining the refurbished facility

be so much less than the cost of maintaining the new facility. Why would the cost of depreciation be different? **Tim Walsh** said the concept of depreciation is the cost of replacement: a \$40 million building with a 40-year life has a depreciation of \$1 million a year. An \$80 million building lasting 40 years has a depreciation of \$2 million a year. If the building is to be replaced at the end of its useful life, the cash needs to be in the bank.

Mark London listed the concerns about the existing site: flooding, hurricanes and storm damage, access with respect to storms, the drawbridge issue, traffic, open space and parking.

Tim Walsh said they have to continue to work on the parking; they gained some parking in the plans and are proposing off-site parking for employees. He has never been in a hospital that didn't have a parking problem. In the architect's work with the hundred-year flood plan, they are looking at flooding on Beach Road but Eastville doesn't have a problem.

Mark London said MassHighway has a plan to correct problems on Beach Road.

Kathy Newman said she understands how hard the hospital representatives have been working. She said it's sort of a public facility but privately funded and wondered whether donors understand the whole picture. The mission of the hospital is to serve the community and there has to be lots of communication.

- **Tim Walsh** said the board right now is very responsive, but the board is not the same as the funders of the project.
- **Tim Sweet** responded that they are asking everyone for money and have to be persuasive. Donors don't want to control; they want to be persuaded that the concept and plan are viable. They don't want to be asked in five years for more money.
- **Tim Walsh** said the major donors aren't developing the project; they want to see a feasible and good plan.

Jim Athearn said the land by the blinking light that's been talked about for affordable housing seems like an ideal site.

Linda Sibley said Tim Sweet and Tim Walsh have made some pretty persuasive arguments; but it's fair to say that the Commission, as a land use board, is skeptical and Commissioners are hopeful that a better location could be found and financially viable. She said that she'd like to see a great solution or be persuaded that there isn't one.

Mark London said he realized that the hospital is anxious to go ahead, but it would be worth analyzing the options and updating the figures to address the issues that have been raised. **Tim Sweet** said that the arguments made today were viable in 2002 and will be in 2006.

Linda Sibley said if there is no other site, then the numbers don't matter. The Commission should help to investigate as a land use issue.

Paul Strauss volunteered to be part of a sub-committee, but wondered what the point was if the hospital has concluded that building on another location results in an unfeasible financial picture.

Linda Sibley said this is an attempt to offer options. If there is a site then the hospital would need to challenge donors and community to come up to the plate.

Martin Crane said the hospital seems to be averse to debt and debt service and asked whether the present extrapolations make them averse to taking on debt by bonding.

Tim Walsh said the standard is to project out five years. Even if nothing changes, the hospital has to re-build; the existing building can't be renovated for hospital use

Ned Orleans said the advantage for doing the search for other locations would accrue to the benefit of the hospital.

Linda Sibley formed a subcommittee of Ned Orleans, Chris Murphy, John Breckenridge, Martin Crane, Mimi Davisson who, as interim chair, will work in conjunction with Tim Walsh.

Christine Flynn reported that there is an active Oak Bluffs Resident Homesite Committee, but Oak Bluffs has not taken any formal action regarding the land swap between the town and the Homes of the Southern Woodlands development.

Linda Sibley said she thinks the Hospital representatives have done a good job of explaining their processes.

John Best said that at the Hospital's previous presentation to the Commission, the possibility of a parking garage was discussed; that would have to be factored in. He asked about energy efficiency. **Tim Walsh** explained that the trend in hospitals is moving to green designs, which are environmentally friendlier. They are committed to building a green hospital that is good for the future economics of the operation and good for the people who are using it.

Several people commented about the building's architecture:

- **John Best** noted that the architects got blasted for the aesthetics of the building design; he suggested turning the architects loose design-wise.
- **Linda Sibley** said she had said the building looks like a ski lodge; it's a very prominent location and should contribute to the character of the Island.
- **Tim Walsh** said they want a maintenance-free façade.
- **Tim Sweet** said they would be working with an Island building committee for the final decision on the façade.

Paul Strauss said that a search for the perfect site could lead to a focus on the disparity between land use and community concerns and financial concerns.

The Commission took a short break.

2. BEACH STREET: DRI NO. 557- DELIBERATION AND DECISION

Commissioners Present: J. Athearn, J. Best, J. Breckenridge, C. Brown, M. Davisson, C. Murphy, K. Newman, M. Ottens-Sargent, D. Pigeon, J. Powell, L. Sibley, A. Woodruff

Ned Orleans recused himself and sat in the audience.

Christina Brown gave the LUPC report unanimously recommending approval. The present proposal removes the bridge connecting the building to the neighboring one and standard conditions have been added, including that exterior lights be turned off after the close of business or be on motion detectors. **Linda Sibley** suggested including the Commission's standard condition related to pesticides and herbicides.

Christina Brown moved and it was duly seconded to approve the project as applied for with the condition that the bridge on submitted plans be eliminated, exterior lighting be turned out, and the offers made by the applicant be accepted.

Jim Athearn asked for clarification on the applicant's contribution to moving costs.

Construction staging and scheduling:

- Commissioners agreed by consensus on construction staging and scheduling.

Archaeological oversight:

- **Jim Powell** asked for clarification of the applicant's offer of 48 hours notice to the Wampanoag representative.
- **Jim Athearn** said it might be fair to have shorter time because it's a project under construction.
- **Megan Ottens-Sargent** it might make sense for the Tribe to have more than 48 hours.
- **Christina Brown** said the Tribe is familiar with the site and they asked for 48 hours.
- **Jim Powell** said if LUPC is confident then he's fine.
- **John Breckenridge** suggested that consistency is good for future projects.

Affordable Housing:

- The applicant will offer the house to anyone who is willing to move it, and will contribute \$15,000 toward moving it.
- As offered by the applicant, the apartment will not be rented for a period of less than two months.

Paul Foley said the applicant had just found out about the exterior lighting.

As offered by the applicant, the building will be ADA compliant.

Commissioners discussed language related to the neighbor's blue spruce and agreed on wording that, should the tree die due to construction activity, the applicant would replace it.

Christina Brown proposed using the same language regarding the exterior as that of 7 Beach Road.

Christina Brown proposed a condition related to the prohibition of herbicides, pesticides and fertilizers.

A roll call vote was taken on the motion to approve the application with offers and conditions. In favor: J. Athearn, J. Best, J. Breckenridge, C. Brown, M. Davison, C. Murphy, K. Newman, M. Ottens-Sargent, D. Pigeon, L. Sibley, A. Woodruff. Opposed: None. Abstentions: M. Crane. The motion passed.

Mark London reminded Commissioners that the decision is based on benefits and detriments; moving the building to be in line with setback of 7 Beach Road is a benefit.

Paul Foley noted that the applicant has actually donated \$50,000 to moving the house.

John Best and **Ned Orleans** left the meeting.

3. 10 STATE ROAD - NON-CONCURRENCE

Commissioners Present: J. Athearn, J. Breckenridge, C. Brown, M. Davisson, C. Murphy, K. Newman, M. Ottens-Sargent, D. Pigeon, J. Powell, L. Sibley, A. Woodruff

Commissioners reviewed the language of the non-concurrence, which includes the provision that the landowner will only remove the existing stumps that have already been cut; he will re-vegetate the area; he will notify the Wampanoag Tribe of Aquinnah and the Commission at least 10 calendar days in advance and he will carry out the work under archaeological supervision.

Mimi Davisson suggested that, for the sake of the least possible damage, the landowner should fill in existing holes only, grind stumps, and do no more digging of holes.

Jim Athearn moved and it was duly seconded to approve the language of the non-concurrence. A roll call vote was taken. In favor: J. Athearn, J. Breckenridge, C. Brown, M. Davisson, C. Murphy, K. Newman, M. Ottens-Sargent, D. Pigeon, J. Powell, L. Sibley, A. Woodruff. Opposed: None. Abstentions: None. The motion passed.

4. NOMINATING COMMITTEE

Linda Sibley appointed a nominating committee: Chris Murphy, Chilmark; Kathy Newman, Aquinnah; Jim Powell, West Tisbury; John Best, Tisbury; Christina Brown, Edgartown; John Breckenridge, Oak Bluffs; Paul Strauss, County Representative.

Linda Sibley asked Christina Brown to organize the committee, which will meet at 6:45 p.m. on November 31st.

The meeting adjourned at 10:35 p.m.


Chairman

2-1-07
Date


Clerk-Treasurer

2-15-07
Date