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Date: November 17, 2021
Project: Kelley House Hotel
Project Number: BKH - 320032
Location: Edgartown, MA

Subject: MVC – Martha's Vineyard Commissions Staff Questions R2

Dear Alex Elvin (DRI Coordinator) and the Staff of the Martha's Vineyard Commission (MVC),

Please find below and attached our responses to your question provided on 10/27/21 following our initial meeting and discussion of our initial referral and project presentation. Hopefully these responses and the supplemental materials provided are sufficient for your staff to schedule our first meeting with the LUPC on 11/22.

Questions received 10/20/2021 and Revised 10/27/2021

SITE DESIGN AND CONSTRUCTION

1. Will there be public walking access from North Water to Dock St.?
 - a. Yes, there will be public walking access through the Kelley House property from North Water St. to Dock St. The intent of the proposed design is to make the campus a more integrated part of the Edgartown community.
2. Describe the proposed water feature in the public garden. (Include images or renderings if available.)
 - a. The proposed water feature in the public garden has been removed from the design as a result of the modification to the parking area per previous MVC discussions.
3. Total existing and proposed impervious surface material, including roofs. (Please indicate the impervious areas and total square footage on a site plan.)
 - a. The existing & proposed impervious surface areas are 32,534 sq ft and 34,161 sq ft respectively (Attachments 1 & 2).
4. Provide more information about the proposed reinforced turf, including images and diagrams.
 - a. Please refer to the Landscaping Plans Sheet L.03.5
5. Describe any natural alternatives to the reinforced turf.
 - a. The proposed surface would look like a grass lawn. As a navigable surface for cars and emergency vehicles, the only natural alternatives to reinforced turf would be crushed stone, gravel, shell. Our intent was to provide greenery in this area as a public benefit.
6. Provide a drainage plan for the property to address rainfall and stormwater (should be designed for at least a 25-year storm).
 - a. Please refer to Attachments 6 & 7 for drainage plan and details. The stormwater discharging into the alleyway between the Kelley House is connected to the on-site

drainage system. The stormwater runoff being pumped from the ejector pump east of the Garden House connecting into the town remains. The drainage plans consist of two large infiltration systems outside the flood zone and four small bio-retention areas.

7. Provide a more current flood model that shows the proposed conditions in the future. (This can take the form of projected annual flood probability shown on a site plan.)
 - a. We respectfully request the MVC to provide a preferred resource for flood metrics that the project team may utilize in producing the requested documentation.

8. Additional information about compliance with floodplain construction, including breakaway walls, flood vents, etc.
 - a. The proposal to preserve and expand the existing Kelley House Hotel built 1742 is the most significant scope of work within the floodzone. While the work on this structure constitutes "substantial improvement", our intent is to preserve the historic portion of the structure in place, without raising existing habitable spaces above the Base flood elevation in order to preserve the significant contributing character of the building in context. Historic buildings are exempt from "substantial improvement" per the definition of the term in Chapter 2 of the 2015 International Existing Building and as reiterated by 2015 IEBC 1201.4 exception. This approach is grounded in FEMA guidelines as laid out in "Historic structure Variances and the National Flood Insurance Program FEMA P-993." The design team would like to confirm with the Building Department that the project is eligible to utilize the existing building code exception for historic buildings. Otherwise, the project will need a building code refusal letter in order to seek relief from the State Building Code Board of Appeal for the 1742 Building.
 - b. Portions of new construction connected to the 1742 Kelley House structure will require some relief in order to maintain continuity with existing ground floor elevations but will be constructed largely with floodproof materials at grade, and will allow adequate flow for rising floodwaters through flood vents and restrict all guest room occupancies to upper levels constructed above the base flood elevation as required. The project will need a building code refusal letter in order to seek relief from the State Building Code Board of Appeal for the new construction portion connected to the 1742 Building. The team intends to demonstrate the hardship of ensuring convenient and intuitive circulation and accessibility between the 1742 and new construction portion if the new construction portion was elevated above the base flood elevation. The team will also ask that consideration be given to the fact that the ground floor is non-residential and that all residential elements are located above the base flood elevation.
 - c. The Edgar building which was proposed to have a completely new addition on the southernmost portion of the property at the lowest elevation – will now be reconsidered with significantly less scope limited to the interior renovation of the existing commercial space for a new kitchen and restrooms to serve the existing Pelican club.
 - d. While the cost of work at the Garden House does not exceed the "substantial improvement" threshold, the small rear addition will require flood resistant construction as a new construction element. The project will need a building code refusal letter in order to seek relief from the State Building Code Board of Appeal

- for the small addition to the Garden House. The team intends to demonstrate the hardship of ensuring convenient and intuitive circulation and accessibility between the existing Garden House and the small addition if the addition portion was elevated above the base flood elevation.
- e. The cost of work to convert the ground floor of the Carriage House into a fitness center will exceed the "substantial improvement" threshold. The project will need a building code refusal letter in order to seek relief from the State Building Code Board of Appeal for the Carriage House. The team intends to demonstrate the hardship of ensuring convenient and intuitive circulation and accessibility into and out of the Carriage House if it was elevated above the base flood elevation. The team will also ask that consideration be given to the fact that the ground floor is non-residential and that all residential elements are located above the base flood elevation.
 - f. While the Shack is an existing historic structure that is exempt from "substantial improvement" per the existing building code, it will be relocated to another area on the property. The existing building code does not have a clear exemption from flood resistant construction requirements for historic buildings that are relocated. The design team would like to confirm with the Building Department that the project is eligible to utilize the existing building code exception for historic buildings for the relocation of the historic Shack structure. Otherwise, the project will need a building code refusal letter in order to seek relief from the State Building Code Board of Appeal for the Shack relocation. The team intends to demonstrate the hardship of ensuring convenient and intuitive circulation and accessibility to and from the relocated Shack if it was elevated above the base flood elevation. The team will also ask that consideration be given to the fact that the Shack is a non-residential use.
 - g. All new mechanical, fire protection and electrical systems will be installed as required above the base flood elevation or constructed in a floodproof or flood resistant manner where necessary.
9. Clarify whether the plan is to replace the existing vinyl siding and other synthetic exterior materials with wood.
- a. All existing vinyl siding is to be replaced with new painted wood clapboard siding.
 - b. Plastic and Vinyl shutters and other decorative elements are to be replaced with wood.
 - c. The intent is to replace the rubber roof on the Garden house building with new cedar or asphalt shingles however the slope of the existing roof has been determined to be less than 2/12 which limits the number of material options available. We are currently exploring the best option for the Garden House roof.
 - d. The entire project, including materials proposed has been reviewed by the HDC and was considered appropriate (Certificates of appropriateness were provided in our initial package). All new construction is to be finished with contextually appropriate materials approved by the local Historic District Commission.
10. Show that mechanicals will be located above the flood elevations.
- a. All new and replaced mechanical systems will be located above flood elevations as required by code. See attached Plans and specifications from BLW Engineering (note these plans are still in development and are not final).

11. For construction staging, provide a visuals of which areas will be used and when. (This could take the form of a construction management plan in the plan set.
- a. Summary Construction Management Plan (see below and Attachment 4_Construction Management Plan Rev-1)
 - i. The Construction Schedule/Sequence is based upon an anticipated late winter start so that excavation, foundation, and gross structural renovations can commence in early spring. Object is to complete invasive work in public areas and work in a contained space inside the Kelley House Campus by mid June 2022.
 - ii. Temp Utilities will be drawn from existing services inside the Campus that are not intended to be interrupted. Site services such as dumpsters and portable toilets will be inside the protected area.
 - iii. Traffic will be routed to avoid the Chappy Ferry route and trade parking will be off site out of the downtown area.
 - iv. Work inside the Campus is intended to continue into the fall of next year with final landscape work completed early spring 2023.
 - v. Kelley House reopening following completion of all work is scheduled for Spring of 2023.
 - b. Initial Phase/Mobilization
 - i. Setup Site Security Fencing 6' High Chain Link with Obscuring Scrim. Initial Location for Kelly House Foundation will Take Street Out to Parking. Fence Will be Pushed Back After Structure is erected Prior to Tourist Season.
 - ii. Cut and Cap Utilities to 1742 Building
 - iii. Cut and Cap Courtyard and Pool Utilities
 - iv. Demo Edgar Pool and Clear/Grub Contractor Staging Area
 - c. Demolition Phase
 - i. Partial Demolition of 1742 Structure and Foundation
 - ii. Select Demolition of Garden House Lobby Structure
 - iii. Various Removal of Finishes and Fixtures Per Drawings Throughout
 - d. Reconstruction Work
 - i. Excavation and Installation of New Foundation for 1742 Building
 - ii. Structural Reframing of Garden House Lobby
 - iii. Rework of Garden House Crawlspace and Install Crawlspace Slab
 - iv. Install Proposed New Utility Feeds to Various Buildings Per Construction Documents
 - v. Upgrade Interior and Exterior Finishes Per Construction Documents
 - vi. Work On Exterior Improvements and Pool Install
 - vii. Work On Hardscape and Landscaping
 - e. Demobilization
 - i. Complete Landscaping/Hardscape, Curbing and Sidewalks
 - ii. Remove Exterior Security Fencing
 - iii. Restore/Replace Exterior Ornamental Fencing, Exterior Punchlist
12. The landscape plan should include a list of species (native or naturalized plans with strong root systems that are wind, salt and drought tolerant, to help filter rain and storm water, and because native and naturalized plants require less water and maintenance).
- a. Please refer to Attachment 5 – Planting Specifications. The landscape plans will be updated with species and reference images for LUPC review.

ECONOMY AND HOUSING

13. Current and projected number of employees (year-round vs. seasonal). Provide pre-covid and covid numbers.
 - a. Peak Season: 83 people (F&B employed 48 people / Hotel employed 28 people / 7 Managers). Of these, approximately 22 people received employee housing pre-COVID and 18 post COVID.
 - b. Off Season: 31 People (F&B employed 17 people / Hotel employed 10 people / 4 Managers). We do not currently provide any employee housing in the Off Season.
 - c. After the renovation, we are projecting that both seasonal and Off Season staff will increase by approximately 10%.

14. Location and floorplans for onsite employee housing. (This can be highlighted in the existing floor plans.)
 - a. Existing Employee Housing
 - i. Since the hotel was built in 1742, and up to the mid 2000's (with obvious repairs and updates along the way) the 1742 building was used/sold as guest rooms. At some point, prior ownership decided to use the permitted guest rooms in the 1742 building as employee housing. Until this decision, these rooms were intended to host paying guests for short term stays while visiting the island.
 - ii. The existing employee housing is located on the 2nd, 3rd, and 4th floors of the 1742 building; these rooms were previously hotel rooms. At present, there are 13 bedrooms in the employee housing quarters resulting in an occupancy of approximately 23 people with no operable kitchen (only microwaves, hotplates, and fridge/freezer). There is limited common space for employees to relax and decompress when they've completed their shift. In our first season of operating, we had limited options to ameliorate these conditions but it has been our intention since the purchase of the property to revamp the employee housing as a part of the renovation of the campus.
 - iii. We have found with the other hotels that we own and operate that moving employees off campus allows them to achieve a better work/life balance and offers them better living conditions.

 - b. Off Site Employee Housing
 - i. We are proposing to move employee housing off site for three main reasons, all of which relate to the end goal of creating the best possible housing experience for the employees, which will ultimately translate into the highest caliber of hospitality offered for our hotel guests.
 - ii. The first reason we believe moving employee housing offsite is the optimal solution is the fact that it will drastically improve the conditions in which the hotel staff will be living. As previously noted, our existing employee housing is less than ideal, particularly for the length of time employees spend in the housing (10 weeks). The rooms in which the employee housing is currently located were built and designed as guest rooms for short-term stays. They do not offer adequate space or accommodations for seasonal living. Off site housing would allow us to offer employees proper bedrooms with a

maximum of 2 occupants per bedroom, as well as a full kitchen, common spaces, and laundry facilities. Additionally, based on our experience in other properties, providing our staff with the physical separation of work and home will further enhance the caliber of living for employees. These are basic amenities that we offer to all of our employees who work in our hotels located on Nantucket, and it is our full intention to do the same for our employees on Martha's Vineyard.

- iii. The second reason we strive to provide high quality employee housing is to attract and retain the highest caliber employees. By doing so, we can attract team members that are not just looking for a one off summer job, but rather to establish and grow their careers in the hospitality industry. These employees are also very respectful of the homes they are being provided and the surrounding neighborhoods as they are motivated to maintain good standing for future employment.
- iv. Finally, because the rooms currently being used for employee housing and staff offices are permitted as guest rooms, the revenue we forecast generating from returning this space to guest rooms allows us to fund not just the much-needed improvements to this historic property but also the upgraded off-site employee housing. By investing and improving the guest experience we will concurrently invest and improve the employee experience.

c. Future Offsite Housing

- i. During the next 16 - 18 months, while construction is underway, we have a team at Blue Flag whose primary job is to source and secure adequate off-site employee housing. Our intention is to purchase properties that are properly zoned for employee housing, sign a third party lease for a house that is properly zoned for employee housing, or, if needed, build new construction on a lot that is zoned properly for employee housing. We are fully aware of the challenges that surround finding these types of housing opportunities and are prepared to offer transportation options to and from the housing if it is not walkable (or not in Edgartown). In the event that we are unable to accomplish any of these solutions by the time we are ready to open, Blue Flag will house employees on-site until off site housing is secured. If the Commission needs further assurance that we will be able to provide adequate off-site employee housing, Blue Flag is comfortable making the Commission's approval contingent on having employee housing for the same number of beds (23) currently offered.
- ii. Our goal is to locate off-site employee housing that is in close proximity to the Kelley House property. Understanding the constraints of available housing with appropriate zoning in close proximity to the Kelley House, we are extending our search radius beyond Edgartown. In the event off-site employee housing is secured outside of Edgartown, we will be offering the employees a variety of transportation options to ensure they are able to safely travel to and from work, go to the grocery store, and explore the island on their own when not working. This could consist of multiple solutions such as bus passes, bikes/helmets/locks, and a hotel shuttle.

- iii. It is essential to the success of the hotel that our employees are able to make it to and from work on time and in a safe manner as well as have the ability to travel at their leisure while not at work, so we are motivated to ensure we have secured employee housing not just to satisfy the Commission's questions but to ensure we are offering both an improved guest experience and improved overall experience for the Town of Edgartown and the island as a whole.
- 15. Current and proposed times of year and hours of operation for all business uses.
 - a. The Edgar building which operates as the Pelican Club will be a seasonal operation opening in May and closing early to mid fall (October).
 - b. Labor issues notwithstanding, we are proposing that The Newes of America will continue to be a year round operation.
 - c. The Hotel will operate year round with more limited capacity in the winter months (January - April).
- 16. Current restaurant seat counts are needed.
 - a. Per Wastewater Dept. walk-through on September 27, 2021 the restaurants seat count is 231 (not officially approved by the Wastewater Commissioners yet) (See Attachment 3_S410 Sewage Flows Chart)
- 17. Explain the discrepancy between the number of guest rooms as counted on the property card and during the 2007 survey. What is the actual count?
 - a. The total bedroom count for all 9 buildings is 81 (per Wastewater Dept. walk-through on May 10, 2021) (See Attachment 3_S410 Sewage Flows Chart)
- 18. The MVC will need a proposal for employee housing that complies with all town regulations and addresses any impacts associated with traffic and transportation.
 - a. See response #13 above
- 19. Further narrative as to why offsite employee housing is preferred, including limitations associated with onsite housing.
 - a. See response #13 above

TRAFFIC

- 20. Describe the parking proposal in more detail, including circulation, shuttles, valet service, discouraging vehicles, etc. (A circulation plan with annotations would be helpful.)
 - a. The parking for Kelley House will be spread between two lots. One is located directly on the primary campus consisting of ~16 valet spots, and the second is a satellite lot on Winter St consisting of 14 spots (30 spots total).
Of note, based on ongoing conversations with the Council of Aging, there will be a second lot located on the Kelley House Campus that will be reserved for The Council of Aging (located directly behind their building with 10 spots), along with 2 ADA spots at the front lot on campus bordering Dock Street for access to their ADA ramp.
Our goal as owners and operators is to reduce the amount of cars we bring into Edgartown - for both staff and guest uses. Since taking over the Kelley House, we have been able to reduce the number of cars that are brought onto the property

(and island) to the point where we are confident that the elimination of 12 parking spaces on the main campus will not impact parking for the Hotel or the Town. We are also in active communication with The Council of Aging to ensure they are provided adequate parking that reflects their existing arrangement.

- b. It is also worth noting that we have heard the feedback from both the MVC and The Council of Aging, and have decided to remove any reinforced turf that was initially proposed. Instead, these lots will remain as gravel parking areas (as currently configured).
 - c. Our operations team and reservations system advise and encourage guests not to bring a vehicle to the island for their stay. Beyond just asking guests, as a carrot, we offer complimentary bike rentals to travel around the island and, as a stick, we charge daily for guests to park while staying at the hotel. As testament to the success we have had with discouraging guests from bringing vehicles, we own a hotel similar in size to the Kelley House in downtown Nantucket (Faraway Nantucket), which offers no parking at all to the guests. At Faraway Nantucket, we offer the same guidance and incentives to guests and have found it to be successful in limiting the number of cars brought to the island.
 - d. A valet service will be offered which will allow us to maximize the number of cars that can fit in the lot, as it will be controlled by parking professionals.
 - e. Providing a shuttle service for the hotel will assist with transporting guests to common desired locations (airport, ferry terminals, beaches, surrounding towns, etc) that they may have otherwise brought their cars for. This shuttle will also service any off site employee housing to limit the number of employees that need to drive to the campus.
21. Does the Kelley House presently offer a fleet of bicycles for its guests, or vouchers to nearby rental shops as a way to discourage bringing vehicles to the Island?
- a. We plan to continue the Kelley House's tradition of offering complimentary bicycles, helmets, and locks to our guests in efforts to deter them from needing/bringing a car while visiting. Due to supply chain issues caused by COVID, we were unable to receive bikes in time for our first year operating this summer. However, it is our brand standard across all of our properties to offer bicycles to guests. We would also provide bikes, locks, and helmets to employees if needed to commute to work when housing is out of walking distance.
22. Describe the rationale for decreasing the number of parking spaces.
- a. Based on our experience operating the hotel this year, we determined that the hotel has more parking than is needed to support the parking demand. We are well aware of the issue with traffic congestion on the island and the Town of Edgartown specifically. With that understanding, we make it a priority both through our website and via staff training to recommend and advise guests to NOT bring their cars to the island. We saw the effectiveness of these efforts during the 2021 summer, and are confident that the surplus parking currently offered will not be necessary.
23. Documentation of any easements related to the project (for example, some of the proposed parking spots appear to extend onto lot 20D-298.2).
- a. There are no formal easements related to the boundary with lot 20D-298.2 (the Council on Aging). The parking spots that extend ~4' over the lot line and onto the

Council of Aging's property have existed in this location (and over the lot line) for over 20 years and we are in active discussions with the Town of Edgartown and The Council of Aging on how to proceed.

24. Information from the previous owners as to what portion of guests (in a normal non-Covid year) brought vehicles?
- a. Unfortunately, prior ownership did not keep adequate records so we don't have certainty on prior circumstances. However, to the best of our understanding based on conversations with the hotel engineer (who has been employed at the property for numerous years), the years prior to Blue Flag taking over the Kelley House, the parking lots across the campus and the satellite parking on Winter St. were utilized nearly to their maximum capacity throughout the summer. It's our understanding during this time that there was limited communication to guests about the unnecessary need for bringing a car to the island.
 - b. Following Blue Flag's acquisition of the property, despite operating during a global pandemic, the hotel exceeded performance expectations and brought in comparable, if not better, guest occupancy numbers when compared to previous non-COVID years. With that comparison, we can confirm that the operations team were able to manage guest expectations prior to their arrival and successfully convince many guests not to bring cars to the island. Our operations team has done significant training with the front desk managers and reservation specialists to guide guest expectations leading up to their visit and actively advise guests to not bring a car during their stay. As a result, the entire summer 2021 operations never even approached utilizing the full parking capacity in any of the lots. Blue Flag is confident that this is a direct correlation to our active approach in dissuading guests from bringing their cars to the island.
25. Describe the existing parking arrangement with the Council on Aging.
- a. Historically, The Council of Aging has used the rear lot (directly behind their building) and 2 spots at the front lot bordering Dock Street. It is our full intention to continue to provide the Council on Aging with parking spots during construction as well as following the renovation. We are in active communication with The Council of Aging to agree on the parking arrangement that reflects their existing uses of the parking lots. As it stands now, they will continue to have use of the parking lot directly behind their buildings as well as the 2 spots in the front lot bordering Dock Street. Blue Flag wants to be the best neighbor possible and is actively working with The Council of Aging to ensure a positive experience as The Kelley House starts a new chapter.

WASTEWATER

26. Existing and proposed wastewater flow, including any minutes or official correspondence with the town wastewater department.
- a. The minutes are not available yet.
 - b. Please refer to the Existing and Proposed Sewage Flows Chart (Attachment 3) that was presented to the Wastewater Department.



ENERGY

27. Proposed energy sources for the buildings and pool, including any onsite generation.
 - a. The energy source for all buildings and pool equipment will be electric. There is no proposed on site energy generation due to limited area and the notable historical context which would make on renewable energy sources impractical.
28. Describe any plans for electric vehicle charging stations.
 - a. The project will include at least one electric car charging station, the master plan will be updated accordingly.
29. Describe any plans to reuse or salvage existing building materials.
 - a. The historic exposed brick foundation of the Kelley House hotel will be preserved and reinforced during construction along with notable interior finishes inside the Newes for America Restaurant.
 - b. Per the initial review and approval of this project at the HDC:
 - i. We will be evaluating the condition of the historic windows, particularly on the Historic Kelley House Hotel by conducting a window survey.
 1. Where they exist, we will be restoring and reusing any historic windows, focusing on the street level per local HDC guidelines.
 - ii. Existing wood siding and trims and decorative elements on all buildings that are in good condition will be retained in place wherever possible rather than being replaced with new.

OTHER

30. Any letters of support from abutters or other members of the public.
 - a. Please see attached letters of support (Marx, Floyd, Hughes, Colacray) which were included in the original referral package

Thank you for your review and please let us know at any time if you have follow-up questions.

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