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# Martha's Vineyard Commission

## DRI # 614-M7 Harbor View Hotel Modifications

### MVC Staff Report – 2021-5-20

#### 1. DESCRIPTION

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- 1.1 **Applicant:** Harbor View Hotel Owner LLC; Sean Murphy (Lawyer/Agent)
- 1.2 **Project Location:** 131 North Water Street, Edgartown; Map 20B, Lot 107
- 1.3 **Proposal:** Relocation and expansion of proposed spa, expansion of proposed Bradley Cottage, and reconfiguration of the number of rooms per building (net number of rooms remains the same).
- 1.4 **Zoning:** R-5 Residential (minimum lot size 10,000 ft<sup>2</sup>)
- 1.5 **Local Permits:** Modification to Special Permit from ZBA (public hearing); Certificate of Appropriateness by HDC (public hearing); Building Permits.
- 1.6 **Surrounding Land Uses:** Residential; town-owned land, including Edgartown Harbor Light
- 1.7 **Project History:** The MVC approved a two-phase \$55 million renovation of the Harborview Hotel in 2008. The approved 2008 plan was for a total finished square footage of all buildings to rise from 91,277 ft<sup>2</sup> to 113,564 ft<sup>2</sup>, an increase of 19,287 ft<sup>2</sup>. The number of units was going to drop from 116 to 68, rooms would drop from 120 to 117, and bedrooms would go from 134 to 139. The project was proposed to be done in two phases.

The project was financed by Lehman Brothers, which went bankrupt. In May 2012, a new group of seasonal residents became the controlling investors in the property. In 2014 they requested additional phasing time periods to allow the investor team a more realistic timetable and allow for the continuation of the financing that was put in place in May 2012. The DRI 614 Decision was modified on August 14, 2009 (614-M) to change the location and size of the spa; April 26, 2012 (614-M2) to change the phasing and the location of the office; October 16, 2014 (614-M3) to install cook tops in some of the units; November 17, 2016 (614-M4) to extend the timelines for the phasing; and June 21, 2018 (614-M6) for an extensive modification, including a reduction of 8,000 ft<sup>2</sup>, relocation of the spa, and a net increase of 29 more rooms than the 2008 approval.

#### 1.8 Project Summary:

- **Main Hotel Building:**
  - The 1,620 ft<sup>2</sup> addition on the south side of the main building will not be constructed
  - The second, third, and fourth floors were approved for 36 rooms, but were built with 40 rooms: an increase of 4 rooms.
- **Mayhew Cottage renovation:**
  - Approved for 48 rooms but built with 51 rooms: an increase of 3 rooms.
- **Bradley Cottage:**
  - Approved as a 7,080 ft<sup>2</sup> building with 12 rooms; now proposed to be a 9,650 ft<sup>2</sup> building, including a 4,625 ft<sup>2</sup> spa and 4 rooms; an increase of 2,570 ft<sup>2</sup> and reduction of 8 rooms.
- **Pease Cottage:**
  - Approved for 10 rooms; now proposed to be 11 rooms, an increase of 1 room.

No net change in the number of rooms: 8 rooms added to Main Hotel and Mayhew and Pease Cottages, and 8 rooms eliminated from Bradley Cottage. *Note that the changes to the Main Hotel and Mayhew Cottage have already been built, minus the 1,620 ft<sup>2</sup> addition to the Main Hotel.*

The applicant is also requesting an extension of phasing to 2024.

## 2. ADMINISTRATIVE SUMMARY

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- 2.1 **DRI Referral:** Edgartown ZBA
- 2.2 **DRI Trigger:** 1.2 Modification to a previous DRI
- 2.3 **LUPC:** October 26, 2020 – LUPC voted 5-4 to recommend a full public hearing, with four members abstaining.
- 2.4 **Public Hearing:** January 21, 2021; February 11, 2021; April 29, 2021

## 3. PLANNING CONCERNS

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### 3.1 Traffic, noise, and lighting:

Many abutters have raised concerns about traffic, noise, and other effects resulting from hotel uses, including the poolside bar, horse and carriage rides, and events after hours. Most of the MVC conditions for the project in 2008 (amended in 2018) do not relate directly to those activities, although condition 4.1b limits hotel events to 306 people, and other conditions place limits on longer-term stays and aim to mitigate the effect of hotel activities on traffic and parking. The applicant has stated that the modified project will comply with the existing MVC conditions, including 4.1b. [Additional information](#) regarding hotel activities not necessarily within the scope of the applicant's proposal, but still the subject of many abutter concerns was provided on Feb. 10, 2021. A [memo](#) from the applicant's legal counsel addressing those activities and arguing that they are outside the jurisdiction of the MVC was submitted on April 28, 2021.

The original 2008 proposal indicated an 850 ft<sup>2</sup> day spa for guests. The proposal was modified in 2009 to enlarge the spa to 1,869 ft<sup>2</sup> and relocate it to the proposed Snow Cottage. Modifications in 2018 included decreasing the spa to 1,620 ft<sup>2</sup> and relocating it to the main hotel building. The 2018 plans showed five treatment rooms, a relaxation room, women's and men's locker rooms, and an office/dispensary. The proposed spa is 4,625 ft<sup>2</sup> (2.85 times larger than approved) and the hotel has proposed that its use be limited to registered guests. The current plans show seven treatment rooms, a hair and nail salon, women's and men's relaxation rooms and locker rooms, two steam rooms, reception and dispensary areas, four bathrooms, and a walled garden.

The applicant has stated that the spa is intended to handle 20 guests per day in peak season, 10 guests per day in the shoulder seasons, and two guests per day in the off-season. As proposed, the spa building would have electric utilities with an energy efficient HVAC system, and propane heat.

Ron Müller and Associates provided a traffic impact statement on behalf of the hotel, concluding that the proposal will not materially alter its traffic generation characteristics, since the number of rooms and parking spots will remain the same as approved, and the spa would only create an increase of two treatment rooms. The statement also cites a report by the commercial real estate services and

investment firm CBRE, which finds that hotel spas in general are used mostly by hotel guests; and information from the Harbor View that most of its guests do not drive during their stay.

Portions of the project approved in 2018 and still to be completed include:

- Construction of the spa building (Bradley Cottage)
- Construction of Pease Cottage
- Demolition and construction of the new expanded Morse Cottage
- Demolition and construction of the new Snow Cottage
- Other site infrastructure and parking

### **3.2 Environment**

- **Wastewater/Stormwater:**
  - The property is connected to the Edgartown Wastewater Facility. The applicant has stated that the proposed spa would lead to an overall decrease in wastewater generation for Bradley Cottage.
  - Drainage for the spa building would be handled via a gutter and downspout system, with runoff directed to a drywell on the property and recharged to the groundwater.

### **3.3 Affordable Housing**

The 2018 MVC conditions related affordable housing require the following:

- 1) A \$107,072 payment to the Edgartown Affordable Housing Committee upon receipt of the Certificate of Occupancy. (The MVC voted not to reduce that amount in line with the square footage reduction in the 2018 proposal. The total amount is to be paid upon receipt of a Certificate of Occupancy, which has not yet occurred.)
- 2) To continue to provide affordable housing for a portion of hotel employees by renting 22 bedrooms seasonally and 3 apartment units year-round at market rate, and only requiring the employees to reimburse a percentage of the cost. (The hotel holds annual long-term leases to meet this requirement, and additional seasonal leases for up to 120 employees. There is no long-term housing on the hotel property.)
- 3) To continue to provide furnishings, bedding, and other items for affordable housing.

### **3.4 Employment**

The hotel currently has 35-40 full-time equivalent employees, with about 175 employees in the peak season. The applicant expects an additional five employees as a result of the expanded spa, and has stated that employee parking is at the Edgartown Park and Ride.

## **4. CORRESPONDENCE**

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The MVC has received 90 emails and letters and two videos from the public as of the close of the written record on May 20, 2021. This includes a 235-page bound [memorandum](#) from attorney Dylan Sanders on behalf of nine hotel neighbors, submitted in January 2021; and [supplemental](#)

[memorandum](#) submitted on May 20, 2021. Common themes among supporters include the aesthetic and economic benefits of the hotel, including enhancements to the property under its current ownership, the creation of local year-round jobs and business opportunities, efforts to accommodate the concerns of neighbors, and the benefits of the proposed spa. Common themes among opponents include the scale and scope of commercial development in the neighborhood, and the resulting effects on noise, traffic, parking, safety, cleanliness, lighting, character, and property values. Opponents have also argued that the hotel has neglected town regulations and permits by allowing activities such as parties on the deck and lawn after hours, horse and carriage rides, the use of golf carts, an outdoor bar and restaurant with fire pits, and the use of 119 North Water St. for jet ski rentals, boat charters, and extended-stay lodging. (119 North Water St. belongs to the hotel owner.) Concerns focus largely on the proposed spa, which opponents see as following a trend toward more intrusive commercial activity by the hotel in recent years.