Livelihood/Commerce Work Group Core  
Meeting Notes of April 4, 2007, 3:30 pm, MVC Office

Present
Members of the Core: John Abrams (Chair), Steve Bernier, Sherm Goldstein, Caroline Fenske, Linda Sibley, Sean Welch  
Others: Art Flathers, Harriet Bernstein, Mimi Davisson, Jeff Kristol, Mimi Davisson  
MVC Staff: Mark London, Christine Flynn

1. RFQ for Economic Consultant
   • We have received four proposals. John Abrams, Caroline Fenske, Sherm Goldstein and Mark London will review the proposals and make a recommendation to the committee.

2. Ready-To-Implement and Long-Term Initiatives Summaries
   • It was suggested that the wording of the proposal on community-owned generation and distribution of energy be revised. It would be useful to discuss this with the Energy/Waste group.

3. Local Economy Checklist
   • We could distribute this at the Living Local event, possibly only including the items for individuals. We need to clarify the document’s status. We can discuss this at next week’s Steering Committee.

4. Art Flathers
   • John explained that Art Flathers had been invited to meet the group as a result of his submission of a number of suggestions.
   • Art distributed and walked the group through a document, “Some Island Plan Thoughts; With Some County Charter Flavor” (appended). It touches on a wide range of issues including: demographic, transportation, real estate and business changes; property taxation (including large areas of untaxable land); duplication of services (ten police departments), fragmented leadership on the Vineyard; etc.
   • Art said that we should recognize many cooperative efforts on the Island and suggested that cooperative ventures may be the best way to deal with many issues.
   • Art suggested that zoning is archaic and should be changed reflect the Vineyard we want, with higher density in walking distance from town centers, a look at the fringe areas around town edges, and different rules for country areas. Others said that 3-acre zoning was put in with the best of intentions in the 1970s, without necessarily realizing the unintended consequences of roads and lots across rural areas.
• In response to comment/observation regarding the economies of scale associated with 10 police entities on the Island, Art said that productivity is the issue. Productivity improvement, which is what is desired, is made up of economy of scale, quality of management and of workforce, 20%; new technology and capital investment, each 40%. We should recognize while capital investment is primarily for capacity reasons, it also has elements of new technology.

• Art suggests that the low cost of excursion rates relative to truck costs encourages shopping off-Island. The minimal cost to get off of the Island acts as an incentive to shop there. He stated that retail sales per capita on Nantucket, whether based on either island's year-round or seasonal populations, are large, 40-70% higher than the Vineyard. Others suggested that the excursion rates offer other benefits for Vineyarders and that the extra cost of transportation is only a marginal explanation for higher costs on Island. This would merit a further discussion.

• Art said that Nantucket is half the size of the Vineyard in total area, and with land in conservation closer to a third the area of the Vineyard. Nantucket does not have a 3-acre zoning restriction or any equivalent limitation, and yet has annual real estate turnover in excess of twice the Vineyard’s at $1-1.2 Billion a year.

• Art said that four things we should know are:
  - Why are per capita retail sales so much higher in Nantucket than here?
  - What is the impact of the fact that our towns are much more politically and economically interrelated than adjacent towns in most other areas?
  - How can incentives work?
  - What is the true impact of escalating real estate values?

5. Upcoming Meetings

• Linda will call a small group together to plan this meeting by identifying issues to discuss and people to invite to the Livelihood meeting. [Note: It was subsequently decided to do this at the next Core meeting.]

• Wednesday, April 11 at 3:30pm at the MVC – Livelihood, [Eco-Cultural Tourism subsequently added]

• Wednesday, April 18 at 3:30pm at the MVC - Local Currency with Susan Witt,

Notes prepared by Mark London
Some Island Plan Thoughts

With Some County Charter Flavor

Art Flathers
April 2007
The Big Factors

Massachusetts & Metro-Boston Dominate the State

Cape Cod Controls Access to Vineyard & Nantucket

Martha’s Vineyard is an Island more than a COUNTY

Vineyard and Individual Towns are “COMMUNITIES”

Regional & Local Governments are “Turf Protecting”

Year-Round and Seasonal Populations Nearly Equal

Summer Population 5 times Year-Round at the Peak

Vineyard’s Real Estate Value Up 5 Times Since 1990

Seasonal Residents Pay Approximately 80% of Taxes

Property Value Impacts Cost of Living Multiple Times

Education is Approximately 40% of Island’s Expense

Massachusetts Franchises Towns, and NOT Counties

Island’s Per Pupil Education Formulas “Cooperative”

Lessons to be Learned from Private/Corporate World

Franchising Represents Nearly 20% of “Retail Sales”

Cooperation, Collaboration & Cooperatives - Players

Steamship Authority & MV Commission are Governors

- Primary People, Goods and Land Influencers

Vineyard’s Authority Fare Structure Impacts Leakage

Commission Influenced Zoning Drives Cost of Living

Weak Island Governance Structure Limits Cooperation
### Some Important Statistics

#### Authority Traffic to Vineyard in 2005

<table>
<thead>
<tr>
<th>Category</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seasonal Passengers</td>
<td>+27%</td>
<td>-1%</td>
</tr>
<tr>
<td>Maximum on Island</td>
<td>+37%</td>
<td>+11%</td>
</tr>
<tr>
<td>Automobile Traffic</td>
<td>+16%</td>
<td>-1%</td>
</tr>
<tr>
<td>Truck Traffic</td>
<td>+41%</td>
<td>+19%</td>
</tr>
<tr>
<td>Pick-up Trucks</td>
<td>+82%</td>
<td>+34%</td>
</tr>
<tr>
<td>Freight Traffic</td>
<td>na</td>
<td>+4.5%</td>
</tr>
</tbody>
</table>

#### SSA Commodities in Season (2003-2005)

- Food: 30%
- General Freight: 25%
- Construction: 18%
- Trash: 14%
- Fuel (gasoline): 9%

#### Median Household Incomes

<table>
<thead>
<tr>
<th>Region</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>$49,356</td>
<td>$45,053</td>
</tr>
<tr>
<td>Metro Boston</td>
<td>54,992</td>
<td>49,001</td>
</tr>
<tr>
<td>Plymouth County</td>
<td>52,548</td>
<td>49,369</td>
</tr>
<tr>
<td>Cape Cod</td>
<td>42,140</td>
<td>40,793</td>
</tr>
<tr>
<td>Vineyard</td>
<td>39,332</td>
<td>39,296</td>
</tr>
<tr>
<td>Nantucket</td>
<td>53,000</td>
<td>40,851</td>
</tr>
</tbody>
</table>

#### Vineyard Property Values (S&MM)

<table>
<thead>
<tr>
<th>Town</th>
<th>Taxable</th>
<th>Non Taxable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aquinnah</td>
<td>$610M</td>
<td>$50M</td>
</tr>
<tr>
<td>Chilmark</td>
<td>$2.9B</td>
<td>$135M</td>
</tr>
<tr>
<td>Edgartown</td>
<td>$6.4B</td>
<td>$530M</td>
</tr>
<tr>
<td>Oak Bluffs</td>
<td>$2.8B</td>
<td>$220M</td>
</tr>
<tr>
<td>Tisbury</td>
<td>$2.7B</td>
<td>$175M</td>
</tr>
<tr>
<td>West Tisbury</td>
<td>$2.6B</td>
<td>$385M</td>
</tr>
</tbody>
</table>

#### Major Non-Taxable Property

- Town’s Property: $411M
- Sheriff’s Meadow: 266M
- Massachusetts: 197M
- MV Land Bank: 142M
- Trustees of Reservation: 96M
Elements of Charter Commission and Island Plan

1) Geophysical Structure acknowledging county’s multiple island nature; recognizes the height and aquifers; extensive natural features; and Vineyard’s varied estuaries.

2) Governance Structure in terms of County and Town governments; major island agencies such as MV Commission, Steamship Authority, Community Services, etc.

3) Administration, Integration, Communication and Organization with emphasis on public safety including emergency management in natural and man-made disasters.

4) Personnel, including volunteers, are most important resource beyond time and before money available to perform island-wide and island town’s various activities.

5) Property owned by county and towns; other government property; conservation lands; non-taxable properties; commercial property; restricted and residential land.

6) Planning carried out by various layers of government from developers and towns to island-wide conservation and environmental entities to the MV Commission itself.

7) Culture [Population] of year-round and seasonal residents; tourists and guests; daily/weekly commuters; self-employed; seasonal employees; Brazilians, and other.

8) Education from early childhood to grammar school; middle school (non-existent) to secondary school to vocational/technical school to higher education to a lifetime.

9) Economic Structure in terms of land values; influences of zoning; turnover of real estate; development & construction; extent of private economy; role of government.

10) Health Care including birth & child care; overall medical services; hospital care; life skills; physically & emotionally challenged; elder care; emergencies and hospice.

11) Natural [History] geophysical evolution of island(s) from glacial times to native people’s habitation to past 400 year history to preserving of unique natural heritage.

12) History, highlighting native peoples; agricultural & aquaculture; whaling roles; advent of tourism; second home development; retirement; and “computing to work”.

13) Transportation is a lifeblood of society, and much more so for any island that depends on mainland for necessaries of life including those attracted to this place.

14) Private Sector including Businesses and Workforce are essential elements of a society and dependent on overall community infrastructure, particularly on an island.

15) Energy efficiency of buildings and transportation offer limited island opportunity.

16) [Solid] Waste is large percent organic that composted is a useful plant nutrient.

17) Water, as nature’s lifeblood is abundant on island but salt water is fragile asset.

18) Housing is really shelter, and land value is island’s limiting and exploding factor.

19) Built Environment [Infrastructure] is generally adequate for a rural community.

Finally, there is a factor - unlisted in Island Plan, and governed by unrealistic zoning on the island, namely land use planning, that is the wild card driving the Vineyard.
SOME COOPERATIVE PROPOSALS - II

1- LEASE AIRPORT TO AIRPORT COMMISSION TO OPERATE AS REVENUE PRODUCER
2- AIRPORT TO IMPOSE LANDING FEE TO OFFSET FREIGHT AND VEHICLE EXPENSE
3- PUT AIRPORT LAND IN LAND COOPERATIVE ASSESSED TO TOWNS ISLAND-WIDE
4- RECOGNIZE EXISTING REGIONAL HIGH SCHOOL AGREEMENT AS A COOPERATIVE
5- RECOGNIZE UP-ISLAND SCHOOL DISTRICT AS COOPERATIVE BETWEEN TOWNS
6- WEST TISBURY AND CHILMARK LEASE THEIR SCHOOLS TO UP-ISLAND DISTRICT
7- TOWNS CONSIDER FORMING COOPERATIVES AS AFFORDABLE HOUSING MEANS
8- PUT STEAMSHIP AUTHORITY PROPERTIES INTO AN ISLAND-WIDE COOPERATIVE
9- CONSIDER PLACING ISLAND-WIDE UTILITY PROPERTY IN UTILITY COOPERATIVE
10- FORM ISLAND’S REFUSE DISTRICTS INTO WASTE MANAGEMENT COOPERATIVE
11- PUT NON-TAXABLE STATE AND FEDERAL LAND IN ISLAND-WIDE COOPERATIVE
12- PLACE HISTORICAL AND PRESERVATION PROPERTY INTO ISLAND COOPERATIVE
13- PLACE ISLAND-WIDE BENEFIT CONSERVATION AREAS IN ISLAND COOPERATIVE
14- REVIEW INDIVIDUAL TOWN’S NON-TAXABLE LAND FOR COOPERATIVE OPTIONS
15- CONSIDER DEVELOPING AN ISLAND-WIDE HAZARD INSURANCE COOPERATIVE
16- CONSIDER A LOCAL TAX ON PRIVATE GUEST ACCOMMODATIONS FOR HOUSING
17- ADJUST STEAMSHIP AUTHORITY TARIFFS TO BETTER SUPPORT ISLAND NEEDS

Each town would have option of joining cooperative or not

Suggestion: Each Town Inventory Property

Federal & State Properties    Island Utility Properties
Island-Wide Institutions      Conservation Properties
Inter-Municipal Properties    Non-Taxable Properties
Transportation Facilities     Private Hazard Insurance
Automobile/Straight Truck Fares, Per Foot %

<table>
<thead>
<tr>
<th></th>
<th>Martha’s Vineyard</th>
<th>Nantucket</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-Season</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>Auto/Truck 90.4%</td>
<td>Auto/Truck 131.6%</td>
</tr>
<tr>
<td>Excursion (less psgrs)</td>
<td>Auto/Truck 57.0%</td>
<td>Auto/Truck 73.1%</td>
</tr>
<tr>
<td><strong>Off-Season</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>Auto/Truck 58.2%</td>
<td>Auto/Truck 128.2%</td>
</tr>
<tr>
<td>Excursion (less psgrs)</td>
<td>Auto/Truck 25.5%</td>
<td>Auto/Truck 38.0%</td>
</tr>
</tbody>
</table>

Automobile/Tractor-Trailer Fares, Per Foot %

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>In-Season</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>Auto/Tr-Tr 95.4%</td>
<td>Auto/Tr-Tr 188.4%</td>
</tr>
<tr>
<td>Excursion (less psgrs)</td>
<td>Auto/Tr-Tr 60.2%</td>
<td>Auto/Tr-Tr 106.7%</td>
</tr>
<tr>
<td><strong>Off-Season</strong></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>Auto/Tr-Tr 36.6%</td>
<td>Auto/Tr-Tr 73.1%</td>
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Advantages of Nantucket Fare Structure

- Seasonal Standard Automobile Fares Higher Foot than Trucks
- Seasonal Excursion Automobile Fares Higher Foot than Semis
- Seasonal Tractor-Trailer Rate Favors Break-bulk over Trucks

Disadvantages of Vineyard Fare Structure

- Vineyard Automobile Rates NEVER exceed Truck Rates/Foot
- Off-Season Excursion Auto Rates are HALF Comparable Rates
- Off-Season Excursion Auto Rate less Passengers <3% Truck

THIS IS AN OUTRIGHT SUBSIDY FOR MAINLAND BUSINESSES IN ADDITION TO MULTI-MILLION DOLLAR SSA PAYROLL
Dukes County and Martha’s Vineyard Power Structure

| Dukes County | Town Boards | Regional | M-Vineyard | Steamship |
| Commissioners | of Selectmen | Schools | Commission | Authority |
| County Manager | Town Manager | Superintendent | Exec Director | Member |
| Dukes County Sheriff | Public Safety | Regional High | MVC Staff | Port Council |
| Sheriff | Planning/Zoning | Up-Island District | Island Plan | SSA Staff |
| Dukes County Treasurer | Treasury/Taxation | Charter School | Transportation | Terminals |
| Registry of Deeds | School/Library | | | |

County Commissioners are elected at-large with a two/town limit, and subject to budget approval by Town’s County Advisory Board. This is a very flat and weak organizational structure where County acts more like another town, and towns with their taxing authority support 40% of county budget and most of remainder furnished by the State through the Sheriff. The Vineyard towns are governed by town meetings and elections of Selectmen and ex-budget approvals. Regional schools are governed by independently elected members from town school boards, and guided by the School Superintendent. Martha’s Vineyard Commission is made up of elected and appointed members from Vineyard towns and 5 State representatives with an Executive Director wielding a significant influence. The Steamship Authority member is appointed by the County Commissioners with Port Council members appointed by towns of Tisbury and Oak Bluffs.

Additional inter-municipal agencies and island-wide include refuse two districts and Regional Transit Authority with governing boards. Airport Commission is appointed by County Commissioners, and is operated as a county function without independence afforded the Steamship and Transit Authorities, to the detriment of the island. County appointees and staff frequently act as members of island-wide functions such as Emergency Management, MV Commission, Regional Housing Authority and Regional Transit Authority.

Sheriff’s Department includes the Civil Process, Communication Center, Community Corrections, Drug Abuse Prevention, Training and Transportation Divisions as well as House of Corrections and Jail. The Sheriff is also involved with Police Chiefs and Elderly.

Vineyard’s Leadership Structure is Weak and Fragmented