

## **Livelihood/Commerce Work Group**

Meeting Notes of November 15, 2006, 5:30 pm, MVC Offices

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*Present - Members: John Abrams (Chair), Steve Bernier, Harriet Bernstein, Mimi Davisson, Caroline Fenske, Ann Floyd, Sherm Goldstein, Pat Gregory, Phil Hare, Daniel Jaimen, Diane Jetmund, Jeff Kristal, Ned Orleans, Kerry Scott, Linda Sibley, Leah Smith, Gretchen Snyder, Holly Stephenson, Bruce Stuart, Derek Tipton, Juleann Van Belle, Sean Welch*  
*Present – MVC Staff: Mark London, Christine Flynn*

### **1. Welcome and Goals of the Meeting**

John Abrams, chair of the Livelihood and Commerce Work Group, welcomed the participants to the first meeting of the full work group. About half the people present said that this was the first Island Plan meeting that they had attended. John outlined the agenda for the meeting.

### **2. The Island Plan**

Mark London gave a PowerPoint overview of the Island Plan, the reasons for preparing it, its mission, and the roles of the Steering Committee, the Network of Planning Advisors, the Work Groups, and the Work Group Cores.

The Steering Committee – in addition to overseeing the overall process and content, and coordinating the efforts of the work groups – will be tackling a number of broad, multidisciplinary Big Issues/Ideas, namely: Global and Regional Forces, Sustainability, Development, Next Economy, Island-Wide/Town, and Vineyard Identity.

The Work Groups will focus on specific topics. The first five, now getting underway, deal with: Energy/Waste, Housing, Livelihood/Commerce, Natural Environment, and Water Resources. The next wave of Work Groups, to get started next year, will look at Built Environment, Culture/History, Health/Education, Governance, and Transportation.

Since between 40 and 130 people have signed onto each Work Group, the Steering Committee set up cores for each group that will meet more often to move the process forward, and has the responsibility to draft the Work Group documents, with the understanding that they should reflect the sense of the overall group.

### **3. Introductions**

John Abrams asked the participants to introduce themselves and in one sentence say what specific local economic interests or concerns they have. The following is a summary of the comments:

- Young people trying to raise a family on the Vineyard. Wanting their children to be able to stay on the Vineyard. Slowing the migration of youth off the Island. The difficulty for young people to find housing they can afford.

- How to preserve the Vineyard's character, landscape, environment, community, and the gentleness of the culture in the face of rapid change. How to avoid "loving the Vineyard to death". How to avoid having the economy consume the Island's natural resources.
- The impact of Vineyarders having to compete for housing and services with those who earn a higher income Off-Island.
- Older people being able to stay after they retire.
- Carrying on and growing small businesses. How can a small business be sustainable, pay its expenses, and offer living wages to its employees. How can small businesses attract and retain a younger workforce?
- Taking advantage of the Internet and other technology.
- Creating a more efficient interface between government and the private sector.
- How our economy works with the global economy.
- Integrating a growing number of retired people.
- The impact of the underground economy.
- Dealing with the regulatory impediments and the inconsistencies of current policies that can be a hindrance to small business.
- The lack in transparency of governmental power, and sometimes hostility, that directly impacts the immigrant community. Immigrants are often treated with hostility when dealing with governmental agencies.
- Seeking a more stable, year-round economy; maintaining a year-round workforce and access to year-round jobs.
- The cost of living on the Island.
- How to produce as much as possible of what it needs, such as food and energy.
- Broadening ownership of business.
- People commuting from off-Island to work here, and conversely, people living on-Island and earning a living off-Island.
- The impact of shopping off-Island and how to keep more spending here;
- Shaping the tourism economy to be more sustainable to best serve the local community.
- How to mesh theory and practice.
- Ensuring that the results of this planning effort don't end up on a shelf, but are continually updated and put into practice.

#### **4. The Livelihood and Commerce Work Group**

John Abrams said that every topic and issue is interrelated to the other topics, and it is the Steering Committee's responsibility to make the necessary connections. All meetings are open to the public and all minutes are available on the website. It is up to members of the Network of Planning Advisors to get as involved in the process as they wish. the Livelihood and Commerce Core might be adding a few people, to improve the balance of its membership.

John suggested that outside events and changes could have an important impact on the Vineyard. In Governor-elect Deval Patrick's first post-election speech, he spoke of his desire to create a strong renewable energy industry in the Commonwealth; this could have meaning for the Vineyard because we have a good head start and a great wind resource. A federal change to immigration laws would also help the Vineyard.

There has been a lot of concentrated effort on topics being looked at by other Island plan work groups such as water, housing, and energy but not on the Vineyard economy. This is probably the first time

that there is a concerted effort to think about where our economy is going. Can we think about where we want to be in fifty years from now? Can we have an impact on the economy? Can we insist on the future that we want, rather than just accept the future we get?

## **5. Break-out Conversations**

The group then broke out into five different conversations about various topics. In the following summaries, the first paragraph is made up of the key points as presented to the whole group in the closing plenary session. The other bullet points were notes taken by each group.

### **A. The Cost of Doing Business on the Vineyard**

*Christine Flynn, Sherm Goldstein, Jeff Kristal, Ned Orleans, Derrick Tipton, Juleann Van Belle*

All of the Island Plan topics are interdependent, therefore it is critical to find and maintain a balance that will keep the Island and its economy sustainable. (It was pointed out that "sustainability" means different things to different people.) The cost of doing business on the Island encompasses a multi-faceted set of challenges to running a healthy business. The following are some challenges that were discussed:

- The cost and availability of labor,
- The cost of providing employee benefits such as health insurance, vacation, retirement 401K
- Attracting and retaining both year-round and seasonal employees
- The cost of the site (purchase, rental) in the face of rising land values,
- Insurance: building and personnel liability
- Supplies including the particular challenges of transportation to and from the Island,
- Utilities: heating, electricity, fuel costs
- Transportation: getting individuals (visitors) to and from, and around the Island - accessibility to the Island is both positive and negative

#### Other Comments

- Regulatory Impediments
  - Zoning
  - Infrastructure: water, wastewater, roads, parking
  - Change of use in Business (i.e. office to retail or vice versa)
  - Licensing & Permits
- New Businesses particularly new commercial development are subject to greater regulatory impediments such as MVC review, building codes, ADA access, parking requirements, licensing and permits
- Education:
  - Create Workforce Development Programs such as Hospitality Seminars through the Chamber of Commerce that will benefit various industry sectors,
  - Better define and develop tourism, to include such things as eco-tourism, agri-tourism, culture and arts,
  - Define sectors of the island population: for example, tourist is anyone who does not own property, seasonal resident, and year-round resident

- Expand internships for high school students in various industry sectors such as agriculture, aquaculture, and fishing, tourism & hospitality, culinary arts, business / management, trades: boat building, carpentry, woodworking, - provide more hands on learning

## **B. Post-Secondary Education**

*Mimi Davisson, Ann Floyd, Pat Gregory, Daniel Jaimen, Leah Smith, Gretchen Snyder, Holly Stephenson*

There was great enthusiasm for the possibility of setting up post-secondary education programs on the Island. It would take advantage of the fact that we have underused facilities and accommodations in the off-season, and could profit from the considerable talent found on the Island. Perhaps we should be building a dormitory at the airport rather than a jail. The challenge is identifying where the Vineyard could offer a competitive advantage, and what are the obstacles we'd have to overcome. The Internet might be able to facilitate this.

Other comments:

- How this topic came to be: empty rooms all winter, empty facilities, homes to rent. There are facilities here for post-secondary education, e.g. big estates. There are lots of teaching resources here already. MVRHS is more like a City College
- Some disciplines are especially suited to Martha's Vineyard, such as tourism. Some big experience simply can't be acquired here.
- Understand our competitive advantage and disadvantage. Using resources that are on the Island
- Conventional post-secondary. "Dukes County Community College"
- Markets, facilities, resources, teachers.
- Audience: Both off and on-Island. The Vineyard as a sabbatical destination. Subject matter is critical.
- Connect with the types of work we want to promote here, e.g: knowledge-based, Internet-based. "We need geeks", high tech training. Would have to change demographics of current workforce.
- Physical connections to major urban centers. A late night boat would be very useful.
- Eco-tourism and education are natural friends
- Constituencies: Life-long learners (young and old). Training for new or existing jobs. Develop new jobs. Don't overlook potential for foreign market wealthy families to learn English immersion courses. Summer opportunities for training, tutoring or coaching for SAT's. Audience – Retired Community Foreign Markets - Immersion courses to learn English. Disciplines/subjects: Tourism (Hotels) apprentice program Lifelong Learning for retirees, technology courses.
- Connect with the types of work we want to promote here, e.g. knowledge base
- What kinds of courses? Degree Granting. Internet Courses. Together Groups. Off Site Residency (Andover, et al). Lesley College model: 10 days on site, 6 months at home. Work-coop programs would be useful. High-Level conferences – "Executive MBAs"
- Lifelong learning / annual education cycle supplements the tourist cycle. Adult Ed.
- Consulting.
- Internet Based Connectivity. Video-conference with a group allowing interaction. Barriers to internet-based education – physical connections to major urban centers
- Places doing this – Portland, Me
- Got to start somewhere 5 – 50 years.
- Is there political will to pursue it?

### **C. Working on the Vineyard**

*Steve Bernier, Caroline Fenske, Sean Welch,*

A major challenge is dealing with the high cost of living. It would help to have more information about shopping on versus off-Island. A second challenge is the enormous affordability gap to buy a house; the community will have to put in a great deal of effort to have an impact. In the past, the Vineyard had a lot of Wall Street dot-commers, but that bubble burst; now we should target cultural and ecological interests to attract people in the off-season. We need more eco-tourism, based on the natural assets of the Island. Eco-tourism and education are natural trends.

Other comments:

- How do we approach the multi-facets for living and employing?
- Expenses: housing, food, gas, others
- Small changes but important
- Target tourism activities
- Raise Island income
- Better networking on several different cultural and ecological interests; target marketing
- Strengthen diversity of tourism
- Change trends of shoulder season

### **D. Think Globally, Act Locally**

*Phil Hale, John Abrams, Susan Goldsmith,*

Two anecdotes summarize the group's thinking.

- Phil Hale said that thinking about fifty years in the future seems like a long time. However, to put it into context, in 1967, George Mathieson wanted to grow oysters in Edgartown Pond, something that would create many jobs; but town fathers said no; if they had said yes, we would have a major export industry today. What could we do today that will have an impact in forty years from now?
- Susan Goldsmith said that she used to work off-Island but, after the high-tech crash, she moved here to set up a tech business. She brought five people but could only keep one. She'd prefer not to outsource, but can't find the technological resources here. We need more young techie geeks. This can be environmentally friendly.

Other comments:

- Education about leakage: what it means to the island.
- Event marketing has potential to exceed what we do now. Extend the year and connect the events
- Local investment needs local capital. Local investment fund.
- Need expertise to take advantage of export potential.
- Local co-ownership ties it to a community.
- Lack of technology orientation. Low impact industry. Need technology infrastructure so that we don't have to outsource. Need young techie people.
- Eco-Tourism
- We can be an office. It doesn't have to be in India.
- New Zealand: 25 years of salmon farming.

## **E. Producing and Buying Locally**

Linda Sibley, Mark London, Bruce Stuart, Diane Jetmund

A prime goal is to reduce leakage, getting people to buy more on-Island, except for those things that are simply not available here. We need a more year-round economy, so businesses can be more competitive and thus attract more customers; this could mean greater sales volume and/or more people in the winter. We could help give information to businesses about being more competitive, especially dealing with the particular challenges of the Vineyard such as seasonality and transportation. We should identify what we can export, such as local, unique products that people want and can't get elsewhere.

Other comments.

- It often costs more to run a business on the Island, resulting in higher product costs, because they have 12 months fixed expenses and only three month of revenue, with little or no income in the rest of the year; because they are small businesses, and because of transportation. We need more level volume.
- Challenge of how to steer business to deal with challenges of the Vineyard, lots of people come and start business and aren't really prepared. Could we look at ways to raise sophistication of business owners to operate more efficiently in a seasonal economy i.e. increase margins, cost control, delivery? For example, being facile on computer could allow an Internet business in the winter, using the fulfillment center outside Chicago.
- The economy needs to be more year-round to sustain local businesses in their attempts to be competitive with off Island business. This would allow spreading the costs over the whole year. We need a year-round labor pool.
- A more year-round economy could be achieved two ways – with a more year-round population (more retirees, fewer young people leaving) and with more exporting (on internet, need unique products).
- There are two issues: how operate business better in the current economy and how to change the economy by making it more local and year-round.
- So much shopping off island, 1<sup>st</sup> priority is capturing more here. People shop off island because assume more expensive but not necessarily true.
- Local businesses buying from each other.
- Why do people come into a store but not buy: wrong products? wrong prices?
- If a product is shipped by UPS, it cost the same as off-Island, but if it comes in by truck, the price can be much higher.
- What can we produce here for local consumption and for export? We may not have the volume to create a competitive lumber industry, but we could pay more for lower quantities of lumber if we then use it to, say, sell Adirondack chairs made from Vineyard wood.

## **6. Closing Plenary**

Representatives of each conversation gave a brief summary (the first paragraph in each section above).

Other topics that we might want to discuss more in the future are: eco-tourism and the distribution of goods on the Island.

The next Livelihood and Commerce event is the Michael Shuman talk about Strengthening Local Economies, at the Katharine Cornell Theatre on Thursday, November 30 at 7:30 pm.

The meeting adjourned at 7:00 pm.