



ECONOMIC STRENGTH

Overview

This booklet was prepared as part of the process of formulating a Master Plan for Oak Bluffs. The topic of “economic strength” has been construed to include the following:

- Growing the economy
- Extending the economy
- Expanding locations and / or forms
- Challenges

Circuit Avenue – Summer



Circuit Avenue – Winter



Overview

This “briefing booklet” has been prepared as part of the process of preparing an update to the 1998 Master Plan for Oak Bluffs.

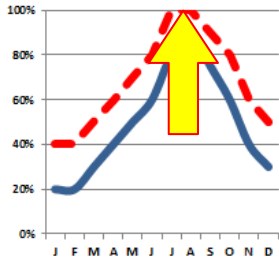
This booklet is intended to provide some context about this topic for the members of the Master Plan Update Committee and others.

Reference Materials

1. ConsultEcon Report for Downtown Streetscape Study (2015)
2. Streetscape Master Plan (2015)
3. Circuit Avenue Business District Peer Review (2013)
4. Martha's Vineyard Island Plan (MVC, 2010)
5. Survey of Martha's Vineyard Residents and Visitors (MVC, 2006)
6. Cost of Living Study (MVC, 2006)
7. Leakage Analysis of the Martha's Vineyard Economy (Shuman and Hoffer, 2007)
8. Martha's Vineyard Economic Profile (Ryan, 2008)
9. Economic Profile of Martha's Vineyard (MVC, 2006)
10. Agricultural Self-Sufficiency (MVC, 2010)
11. Arts Martha's Vineyard: Planning Report (MVC, 2012)

Make The Pie Bigger

Do more of what we are already doing ...



Growing The Economy

The survey conducted as part of the 1998 Oak Bluffs Master Plan indicated an overall desire for stabilization of business growth rather than expansion. A business "boom" in the late 1980s was followed by a slump in the early 1990s and the desire for stabilization of business growth may be based in part on unpleasant experience with that boom-bust cycle.

Should Oak Bluffs seek stabilization or expansion of the local economy?

Growing an economy can refer to different things and what people want from an economy can vary based on their perspective:

Alternative Economic Perspectives

	Residents / Workers	Non-Resident Owners	Tourists / Visitors
Livelihood	Jobs / Income Tax Base		
Basic Goods / Services	Groceries / Fuel Health / Medical		Groceries / Fuel Health / Medical
Specialty Goods / Services	Clothing Merchandise		Souvenirs Impulse
Hospitality	Food / Restaurant		Food / Restaurant Lodging
Specialty	Mobility Property Services Repair Services	Real Estate / Rental Property Services Repair Services	Real Estate / Rental Mobility
Recreation	Arts / Entertainment Recreation		Arts / Entertainment Recreation

It has been estimated that non-residents (seasonal homeowners and their guests as well as vacationers and day visitors) generate more economic activity (64% of goods and services sold on the Island) than year-round residents.

Which of the perspectives noted above might have the most potential for strengthening the Oak Bluffs economy?

The “economic census” uses the following categories to describe an economy.

NAICS Major Economic Categories	
11	Agriculture / Forestry / Fishing / Hunting
21	Mining / Quarrying / Oil / Gas Extraction / Utilities
23	Construction
31	Manufacturing (Food / Beverage / Apparel / Machinery, Boatbuilding)
41	Wholesale Trade
44	Retail Trade <ul style="list-style-type: none"> • Motor Vehicle Dealers / Parts and Accessories • Furniture Stores / Home Furnishings • Electronics and Appliance Stores • Building Material / Lawn and Garden Equipment • Grocery / Specialty Food / Beer, Wine, and Liquor • Health and Personal Care Stores • Gasoline Stations • Clothing / Shoe / Jewelry / Leather Goods Stores • Sporting Goods / Music / Book Stores • General Merchandise / Department Stores • Miscellaneous Retailers (Florists, Gift Stores)
48	Transportation / Warehousing
51	Information / Publishing / Video / Broadcasting)
52	Finance and Insurance / Banks / Credit Unions
53	Real Estate and Rental and Leasing
54	Professional Services (Legal / Accounting / Design)
55	Management of Companies and Enterprises
56	Administrative / Support / Waste / Remediation Services
61	Educational Services
62	Health Care (Physicians / Hospitals / Rehab Facilities)
71	Arts, Entertainment, and Recreation
72	Accommodation and Food Services
81	Other Services (Repair / Maintenance / Personal Care)
92	Public Administration

Much of the detailed information for Oak Bluffs (employment, establishments, payroll, sales, value added, etc.) is suppressed to avoid disclosing information for individual enterprises.

Which of the economic sectors above might help expand / diversify the Oak Bluffs economy?

Market Dynamics

Based on a 2007 study for the Martha’s Vineyard Commission, sectors where the island was producing more than the needs of its residents (based on an assessment of a “typical” community in the United States) include:

- fishing,
- food manufacturing,
- construction,
- rentals / realty,
- tourist transport,
- waste management,
- artists,
- hotels,
- nonprofits,
- food retailers,
- gas stations,
- hardware stores, and
- a variety of other retailers.

Sectors where the island appears to be importing outside goods and services include:

- fuels,
- manufactured items,
- motor vehicles,
- furniture,
- financial services (except banking),
- business services,
- health services, and
- educational services.

The report suggested that, were Martha’s Vineyard as self-reliant as the typical community in the United States, the universe of potential new jobs was at least 1,215 jobs and probably much greater.

Cost of Living

A 2006 study conducted by the Martha's Vineyard Commission found that, at that time, the cost of living on Martha's Vineyard was about 57 percent more expensive than the national average.

Moreover, the cost of living on Martha's Vineyard was about 12 percent higher at that time than the cost of living in Boston.

What Activities Might Enhance The Image / Experience in Oak Bluffs?

The 1998 Master Plan addressed the overall image of Oak Bluffs and survey responses indicated an overall desire to make Oak Bluffs a family-oriented resort community.

The Island Plan (MVC, 2010) identified the following strategies to make better use of the economy we have:

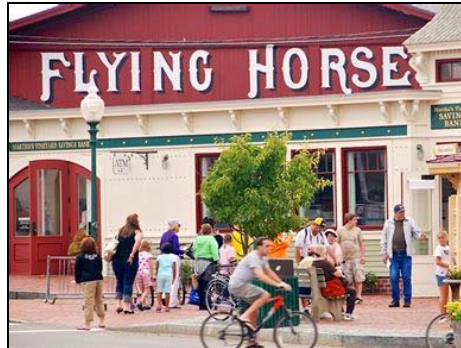
- Seek to maximize local businesses and minimize off-island / formula businesses
- Encourage "buy local"
- Encourage "Island grown" or "Island made"
- Substitute local production (especially of such essentials as food and energy) for imports which have to be brought onto the island

Are there businesses that detract from the desired image / experience and should be discouraged?

Are there businesses that would enhance the desired image / experience and should be encouraged?

Should Oak Bluffs encourage or require local businesses?

Carousel



Theater



Extend The Economy

If Oak Bluffs wants to extend the economy into other seasons, some of the considerations might include:

Marketing	<ul style="list-style-type: none"> Informing people that Oak Bluffs is “open” in other seasons Attracting more cruise ships in the shoulder seasons as they reposition between Europe and the Caribbean
Accessibility	<ul style="list-style-type: none"> Extending Steamship Authority service to Oak Bluffs longer Extending other ferry services to Oak Bluffs longer Add a shuttle in off-months to and from Vineyard Haven
Events / Activities	<ul style="list-style-type: none"> Expanding lodging options / conference capabilities (the 1998 Master Plan advocated for “a resurgence of grand Victorian hotels”) Getting merchants to stay open longer Keeping residents here over the winter Performance spaces / venues Expanding events / activities

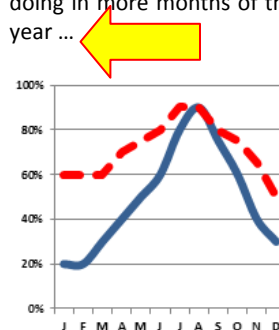
The Island Plan (MVC, 2010) also recognized some potential downsides to being dependent on a visitor-based economy since, in economic downturns:

- tourist communities are usually impacted first and the hardest;
- a disproportionate number of jobs are unsteady;
- a disproportionate number of jobs pay lower wages;
- unemployment rises significantly in the off-season; and
- housing is costly.

How can or should Oak Bluffs extend the economy to other seasons and, eventually, to year round?

Extend The Season Longer

Do what we are already doing in more months of the year ...



Lodging Opportunities

Hotel Rooms by Town

Town	# Rooms
Edgartown	422
Oak Bluffs	331
Vineyard Haven	184
Chilmark	22
W. Tisbury	21
Aquinnah	9
Total	989

Source: Martha's Vineyard Chamber of Commerce; ConsultEcon, Inc.

1998 Master Plan

The 1998 Master Plan recommended:

- restrict business growth to locations within existing business districts;
- do not expand business districts.

Expanding Locations And/ Or Forms

Business Zoning

The map on the facing page shows where business zones are located and the following table summarizes some of the uses allowed in business zones.

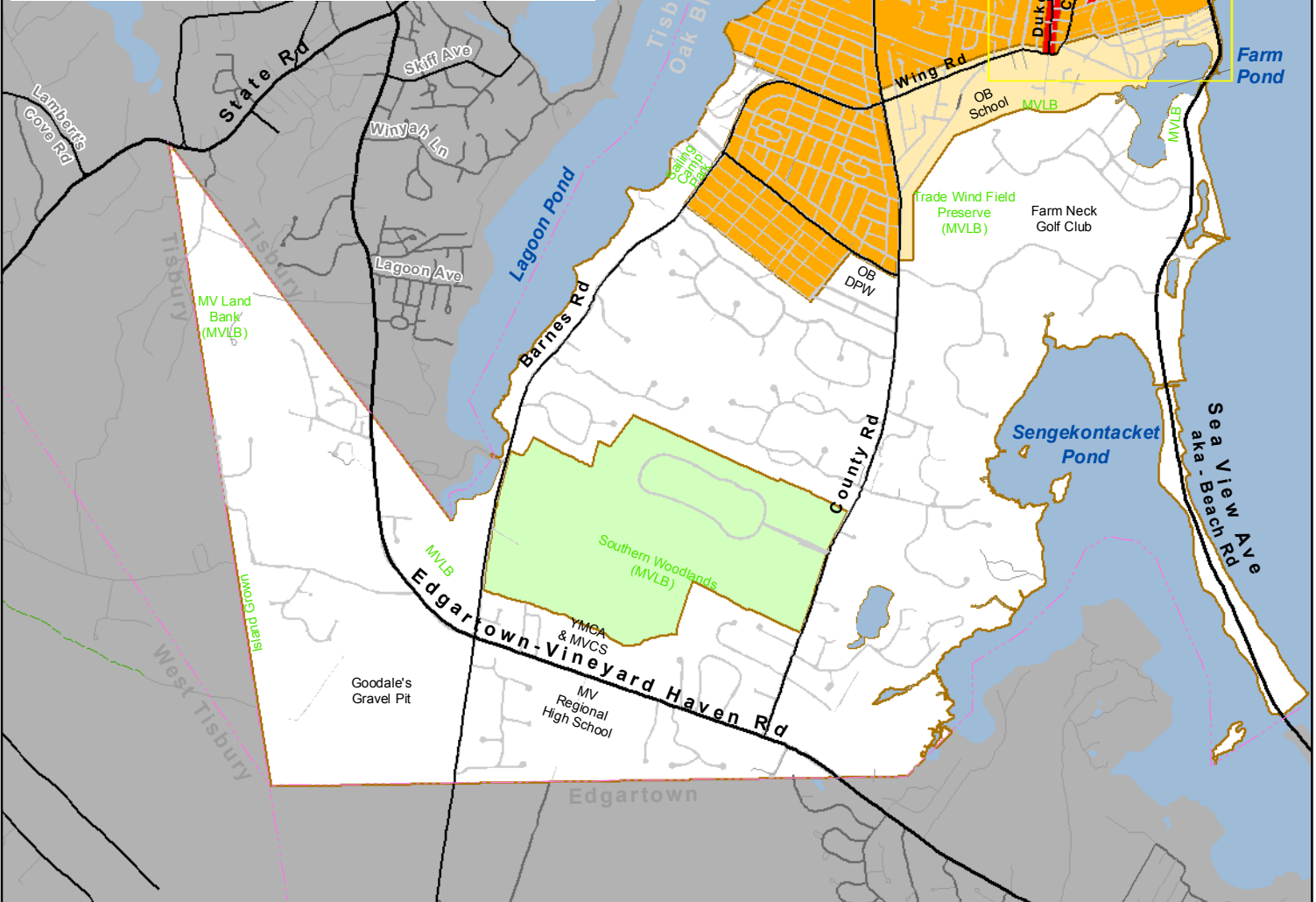
Category	Commercial Uses	B1	B2
Retail	Retail stores and services / Retail food shop	Y	Y
	Art galleries or studios / Craft or artisan shop	Y	Y
	Bicycle sales, rental, repairs	Y	Y
Hospitality	Restaurant	Y	Y
	Restaurant, drive-in or fast food	N	N
	Motel or hotel	Y	N
	Inn or guest house with not more than 12 rooms	Y	Y
Recreation	Indoor commercial recreation	Y	N
	Outdoor commercial recreation	?	N
Manufacturing	Manufacturing and Light Manufacturing	PB	PB
	Motor vehicle sales / services / repair	Y / PB	N
	Boat yards and boat services	PB	N
Residential	Single family dwelling	Y	Y
	Rooming/boarding / guest / apartment house	Y / PB / BA	N
Institutional	Municipal facilities	Y	N
	Use of land or structures for religious purposes	Y	Y
	Use of land or structures for educational purposes ...	Y	Y

Buildings in business zones are limited to 35 feet although there can be modifications by the Planning Board for Victorian architecture.

Are these zones and/or zone boundaries in the right locations? Should any other locations be considered?

Are the uses allowed appropriate? Should other uses be allowed?

Should taller buildings be allowed? If so, where and/or how?



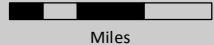
■ B1 Commercial Business	 Right of Way
■ B2 Small Scale Business	 Water
■ R1 Residential (min 10,000 sq ft)	 Ferry Service
■ R2 Residential (min 20,000 sq ft)	
■ R3 Residential (min 60,000 sq ft)	
■ R4 Residential (min 130,000 sq ft)	
■ HC Health Care	

Zoning

Oak Bluffs, MA

1 inch = 3,000 feet (approx. 0.5mi)

0.2 0.1 0 0.2 0.4



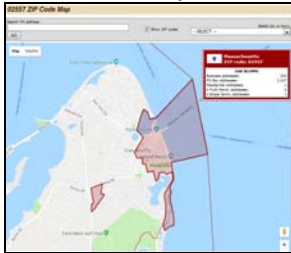
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For planning purposes only.



Zip Code Idiosyncrasies

Collecting economic data for Oak Bluffs is also challenging since many addresses in Oak Bluffs (zip code = 02557) are identified as Vineyard Haven (zip code = 02568) or Edgartown (zip code = 02568).

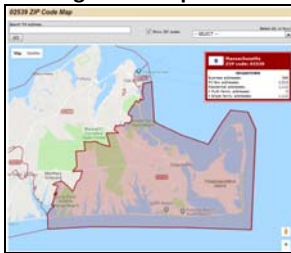
Oak Bluffs Zip Code



Vineyard Haven Zip Code



Edgartown Zip Code



Challenges

Some of the economic challenges affecting Oak Bluffs and other Martha’s Vineyard communities include:

Demographics	<ul style="list-style-type: none"> • Aging population may purchase less • Aging population may spend winters elsewhere
Labor Force	<ul style="list-style-type: none"> • As population becomes older and or seasonal, children and grandchildren who used to work locally in summers may no longer be a source of seasonal labor • Transition from teenage / young adult workers to foreign help • Many businesses operate intermittently and many jobs are temporary.
Housing	<ul style="list-style-type: none"> • Cost / availability of housing for seasonal workers is an issue • AirBnB / VRBO and other apps have allowed property owners to forego longer term seasonal rentals (which might support employees) for short-term rentals at higher rates
Leakage	<ul style="list-style-type: none"> • Internet economy where residents purchase on-line • Lack of critical mass meaning many goods are only available off-island (cars, for example)
Conundrum	<ul style="list-style-type: none"> • More than half of the Island’s economy is made up of four key sectors and growing any of these might involve some actions that people have indicated they have reservations about: <ul style="list-style-type: none"> • Hospitality (food and accommodations) <ul style="list-style-type: none"> ○ Attract more visitors (tourists / conferences) ○ Attract more residents ○ Encourage residents eat out more • Retail <ul style="list-style-type: none"> ○ Attract more residents / visitors ○ Encourage visitors to spend more “on island” ○ Encourage residents spend less “off island” (“leakage”) • Construction <ul style="list-style-type: none"> ○ Build more housing ○ Improve / renovate more buildings • Real Estate <ul style="list-style-type: none"> ○ Build more housing ○ Rent / sell more real estate

How might Oak Bluffs overcome some of these challenges in order to increase economic strength?