



# Martha's Vineyard Land Bank Commission

## REGIONALISM

*adopted by vote of the land bank commission: August 8, 2022*

One of the key strengths of the land bank, since its inception, has been its law's balance of regional vision and local control, the former represented by the land bank commission and the latter by the town advisory boards (TABs).

Spending power is divided between the commission and TABs. Each dollar of revenue is divided: one half is deposited in a central fund and the other in the town fund corresponding to the town whence it was raised. Per the law, the land bank commission owns all of the revenues but the TABs must vote to permit the commission to spend cash in the town funds.

Because receipts are not equally raised across the island, some town funds have more spending power than others. The following chart depicts the historical breakdown among the funds, from inception to the date of adoption of this policy:

Aquinnah	1.34%
Chilmark	6.91%
Edgartown	21.40%
Oak Bluffs	7.07%
Tisbury	7.38%
West Tisbury	5.90%
central	50.00%

TABs are not constrained in the law: they may choose to spend their town fund revenues wholly within their towns' boundaries, or may spend it there and in other towns.

Land purchases have customarily been financed on a 60% town fund - 40% central fund basis. The rationale underlying the ratio is that the town funds pay for land acquisitions only, while the central fund pays for both land acquisitions and all of the administrative and land management expenses of the agency.

The ratio has varied, but these variations have been episodic: some properties have been so expensive that they have been financed on an all-island basis, in which all seven funds

contribute, while others have been financed on a cross-town basis, where at least three, but not all, funds contribute.

Conservation accomplishments across the Vineyard have brought the land bank to the point where an episodic approach is no longer reasonable: the supply of revenues in the lagoon towns (Oak Bluffs and Tisbury) is generally ample as regards demand for funds for properties in those towns that meet the law's criteria for purchase, while the reverse is generally true in the south-beach towns (Aquinnah, Chilmark and West Tisbury and, to some degree, Edgartown).

In order to account for these two factors — the disparity in receipts among the town funds and the relatively fewer opportunities in the lagoon towns — the land bank commission adopts the following policies:

- policy no. 1* It is contrary to principles of good government and sound public policy to purchase properties in any particular town merely because cash is available in that town fund to do so. Supply should never create demand; land bank decisions should continue to be exclusively made based on the attributes, characteristics and merits of the properties it is considering.
- policy no. 2* The default assumption in Edgartown, Oak Bluffs and Tisbury will be that any acquisition there should be financed 100% out of the town fund, unless the land bank commission or relevant TAB conclude otherwise based on circumstances.
- policy no. 3* The default assumption in Aquinnah, Chilmark and West Tisbury will be that any acquisition there should be financed using the customary 60% town fund - 40% central fund formula, unless the land bank commission and relevant TAB conclude otherwise based on circumstances.
- policy no. 4* Regional financing — either (1.) cross-town, involving lagoon town funds and/or the Edgartown fund, or (2.) all-island, involving all seven funds — will be routinely proposed by the land bank commission as is reasonable based on the various town fund balances as they vary from time to time.
- policy no. 5* An ambition to seek to maintain any particular town fund in a positive balance is not a meaningful goal, as (1.) the central fund acts to “loan” money, on an interest-free basis, to town funds lacking adequate cash for pending acquisitions; and (2.) such “loans” constitute an internal accounting practice rather than an actual debt; and (3.) all land bank funds reside in a single treasury and are all common assets of the institution. The standard that instead will be used will be a calculation of the number of years needed to return a fund balance to zero, solely as a measure of the relative replenishability inherent in that town fund.