



Chappy Community Ferry, Inc.

[www/chappycommunityferry.org](http://www.chappycommunityferry.org)



Chappy Community Ferry, Inc.

## **Founder Board of Directors**

Paul V. O'Donnell – President

Roger G. Becker – Vice President

Jonathan Bass - Treasurer

Leslie Floyd - Secretary

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## **Mission**

The Chappy Community Ferry, Inc. is a 501(c)(3) nonprofit organization whose goal is to provide safe and reliable ferry service to the residents of Chappaquiddick Island and its visitors.

## **Vision**

The Chappy Community Ferry, Inc. aspires to be a unique nonprofit corporation owning and operating a public utility in collaboration with the Town of Edgartown. Our goal is to operate state-of-the-art ferries ideally with electric or low-emitting propulsion technology.



Chappy Community Ferry, Inc.

- **Community meetings Jan and Feb 2023**
  - Proposal for nonprofit to own and operate Chappy Ferry
- **Incorporated in Commonwealth of Massachusetts – March 2023**
  - By laws available at our website: [www.chappycommunityferry.org](http://www.chappycommunityferry.org)
  - Pro bono representation by law firm of WilmerHale
- **IRS determination as 501(c)(3) nonprofit – Feb 2024**
- **Due diligence:**
  - Financial review of Chappy Ferry
  - Marine appraisal of Chappy Ferry and landings (Marine Safety Consultants)
  - In-depth discussions with Peter Wells, Sally Snipes and Erik Gilley

## **Our marine appraisal indicates that:**

- Infrastructure at both landings need major repairs/replacement
- The On Time II and III are nearing the end of their usable life

## **Assumptions:**

- Ferry landings and other related infrastructure will be covered by the climate resilience initiative addressed by the ongoing Fuss & O'Neill consultation and funded by the Town of Edgartown
- Capital costs of purchasing new ferries would be a significant issue for any potential buyer, irrespective of for-profit vs. nonprofit.

# Proposal for New Ferries

- **Opportunities exist with the Federal Transit Administration's Ferry Programs to apply for grants**
  - Feasibility and engineering
  - Vessel construction
- **Town of Edgartown is an eligible applicant but a 501(c)(3) nonprofit is not**
- **Town of Edgartown is already a partner with the Chappy Ferry by its ownership of the landings** (*Ground Lease – 1993*)
- **Chappy Community Ferry, Inc. would extend the partnership with the town by applying for ferry grant(s) cooperatively**
  - State-of-the-art ferries ideally with low-emitting/electric propulsion

## **FTA Ferry Grant Selection Criteria**

- Demonstration of need
- Demonstration of Benefits
- Planning/Local Prioritization
- Local Financial Commitment
- Project Implementation Strategy
- Technical, Legal and Financial Capacity

**A collaborative grant application between the nonprofit CCF and The Town of Edgartown would be expected to be highly competitive**

**Board of CCF and its advisors have the expertise to prepare federal grant applications that are likely to be successful**

## Funding through the FTA Ferry Programs – HIGHLY COMPETITIVE!

- FY2022 - \$384,354,926 – 47 eligible projects (49% funded)
  - Passenger Ferry Program: \$34,350,349 for 8 funded projects  
*(none boat construction)*
  - Electric or Low-Emitting Ferry Pilot Program: \$97,587,018 for 7 funded projects  
***(2 conversion/construction – Alaska \$46M, Maine \$28M)***  
*\*\*None awarded in FY2023\*\**
  - Ferry Service for Rural Communities Program: \$252,417,559 for 8 funded projects  
***(4 boat construction – ave \$50M, range \$7-72M)***



# Ownership Models for Chappy Ferry – Marine Consulting Partners

- **Potential Models**

- Private
- Governmental
- Nonprofit
- (Hybrid governmental – profit/nonprofit)

- **Criteria used in decision analysis - Nonprofit**

- Transparency – *mission driven not requiring license revision*
- Service levels – *meeting community needs rather than profit*
- Flexibility – *responding to changing needs by elected board oversight*
- Community Accessibility – *community input on schedules, prices*
- Sustainability – *Increased access to subsidies, tax exemption*

**Kepner-Tregoe Decision Matrix: Nonprofit was rated highest in composite score**

*(reported at 7/18/24 Steering Committee meeting – for recording,  
see our website: [www.chappycommunityferry.org](http://www.chappycommunityferry.org))*

# Where do we go from here?

- **Need buy-in for Community and Town support**
  - Concept of community ownership of vital transportation
  - Concept of ownership of ferry vessels by the Town of Edgartown
- **Governance of Chappy Ferry by Chappy Community Ferry, Inc.**
  - Executive Director of the nonprofit would be a full-time employee of the CCF responsible for organizing and running the operation
- Oversight by the Board of Directors and Advisory Committees
  - Founder board would remain in place for the first year of operations
  - Subsequent BoD would be elected by eligible community members
    - *Members are year-round residents living on Chappaquiddick Island or who are owners of a single or multiple Chappaquiddick Island properties with an existing dwelling or buildable lot*

## **Next steps are expected to be complex and could take years**

- **Application for FTA ferry grants cooperatively with the Town of Edgartown (~4 years)**
  - Engineering ferry design compatible with town Climate Resiliency Project
    - Critical survey of year-long ferry usage – seasonal variations
  - Ferry construction
- **In the interim - - -**
  - Negotiation of terms and conditions of acquisition with Peter Wells, Sally Snipes and Town of Edgartown which, in addition to fundraising, could lead to the drafting of a letter of intent (facilitated by law firm WilmerHale) that would address:
    - Purchase price and license transfer
    - Management/co-management transition from for-profit to nonprofit

**Q & A**

# **Community Discussion**

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