

Executive Summary

A feasibility study was conducted to identify opportunities and constraints associated with locating a new bulk fuel storage facility (tank farm) at an industrially zoned site near the Nantucket Memorial Airport. Fuel is currently stored in bulk at a privately owned tank farm on the waterfront in downtown Nantucket, affecting aesthetics at the harbor and presenting safety and environmental risks. A tank farm on New South Road near the Airport would minimize these existing and potential impacts. The study concluded that eliminating the downtown bulk storage facility would bring benefits to public safety, traffic congestion, and the environment, that relocating the facility to the Industrial Area is feasible, and that the plan should be advanced by the Town.

The study evaluated the existing fuel management system on Nantucket Island and identified three components of the system that affect its efficiency: transporting fuel to the island, storing fuel on the island, and delivering fuel to customers. The proposed new bulk storage facility would eliminate one of the two methods currently used to transport fuel to the island: barge transport would be eliminated completely, in favor of tanker truck transport via commercial ferry. This would allow fuel for the proposed new tank farm to be transported there from the Steamship Wharf, but would increase tanker truck shipments on the commercial ferry service. Space availability on the ferries is currently constrained and a long term plan is needed for expanded service.

Most of the fuel stored at the downtown tank farm is delivered to customers by local delivery trucks, but some is piped directly to the Nantucket Boat Basin Marina for sale to boaters. The marina does not currently have its own storage tanks. Given that Nantucket is an island, fuel should be available in the harbor, so relocating the downtown tank farm would require installing storage tanks at the marina. Other local fuel delivery requirements would be largely unchanged, although fuel truck routes would be altered as described below.

Relocating the bulk storage facility from downtown to near the Airport would shift some truck traffic from being concentrated downtown to a broader distribution, initially following a designated truck route to the new facility and then using the island road network to deliver fuel to customers. Although some intersections along the designated truck route are constrained, the minor improvements recommended at four of the intersections are relatively inexpensive and would substantively improve public safety by managing traffic more effectively than is currently accomplished. The estimated cost for the minor improvements is \$6,000 to \$12,000. More significant improvements may also be considered at two additional intersections; these improvements are estimated to cost \$75,000 to \$150,000.

The designated truck route and the proposed tank farm site were evaluated to determine if environmental resources are present that would constrain the use or development of the roads and property. Although protected environmental resources such as wetlands, rare species habitat, and water resources are present, the project is not expected to adversely impact these resources. Further, environmental permitting requirements for the facility are not expected to be onerous.

A conceptual design for a new bulk storage facility was developed as part of this study. The estimated capital cost for the new facility is \$6.7 million. Although the site identified for the new facility is approximately 9 acres, an appropriately sized facility could be accommodated on 6 acres, leaving the balance of the site for other industrial uses.

Constructing and operating the new tank farm could be accomplished under several different scenarios. The Town owns the Industrial Area site, and would like to induce a private party to use the site for the tank farm. The Town and a private party could enter into a contractual arrangement under three possible approaches: build and lease to an operator, land lease, or land sale. Based on conversations with the Selectmen, a strong preference seems to be for sale of the land.

Once a final decision has been made on the structure of the land transfer, the Town will likely seek bids from interested parties. Expected payment to the Town would vary depending on how the transaction was structured. If a land sale, the Town may wish to impose deed restrictions to keep the land use for fuel storage, and to retain a right of first refusal on a future land sale. These restrictions would offer long term benefits to the Town but would be expected to lower the value.

Although there are a number of decisions that need to be made, the prospects for the tank farm to be relocated away from the downtown waterfront, a long time goal of the Town's, have never been better.