

Governors Council on Maine's Quality of Place

Minutes of the Second Meeting, May 23, 2007¹

Public Utilities Commission Hearing Room, Augusta

Next Meeting of the Council: Tuesday, June 19, 10 a.m. – 4 p.m., in the Public Utilities Commission Hearing Room, 242 State Street, Augusta.

Present: Council members: Edward Barrett, Richard Barringer, Hillary Basset, Rich Knox, Martha Freeman, Bruce Hazard, Eleanor Kinney, Charles (Chuck) Lawton, Kevin Mattson, Mary Kate Reny, Evan Richert, John M. Rohman, Henry (Hank) Schmelzer, Tracy Michaud Stutzman, Barbara Trafton, David Whitney, Ken Young. Governor's liaison Karin Tilberg. Staff members Sue Inches, Jody Harris, Kate Reilly, Linda LaPlante. Guests: Jane LaFleur, Charlie Colgan, Tim Glidden, Ed Cervone, Molly Dolby, Stuart Ryan, Frank O'Hara, Bruce Kidman, Maggie Drummond, Karin Tilberg, Mark Heinlein, Jennifer Melville, Caitlyn Carroll and Nicole Witherbee.

Introductions & Greetings: The meeting opened at 9:10 a.m. with the introduction of Council members, staff, and guests. Richard Barringer reminded the Council of its purpose to determine if Maine's Quality of Place (Q of P) is a significant driver of economic and community development, and to make appropriate recommendations to the Governor in this regard. No changes to the agenda were suggested.

Legislative Update: Sue Inches, deputy director of the State Planning Office (SPO), was invited to give a legislative update on bills related to Brookings recommendations. A more in-depth review of legislation will be given at the next Council meeting.

- LD 1872, "An Act to Preserve Maine's Quality Places," proposes an increase in the lodging tax and a surcharge on registry deeds as funding sources for "Quality of Place investments. The bill is likely to be carried over to the next session.
- LD. 1848, "An Act to Promote Sustainable Prosperity," would create a government efficiency commission and reinvest savings in research and development. This has been tabled and may also be carried over to the next session.
- LD 677, "Resolve Directing the Developments of a Building Code, and Building Rehabilitation Code," had passed both the House and Senate. The bill will develop next steps for implementing the model codes.

¹ Note: The minutes have been prepared by staff of the State Planning Office from notes taken throughout the day; they are intended to summarize a rich set of presentations and conversations, and do not necessarily represent accurately the thoughts and opinions of those cited here.

- LD 262, “An Act to Amend the Credit for Rehabilitation of Historic Properties,” was voted out of the Taxation Committee and awaits approval of a fiscal note by the Appropriations Committee.
- LD 1810 “An Act to Enact the Informed Growth Act,” proposes an economic impact study for retail stores over 75,000 square feet. The bill came out of committee with a divided report.
- LD 1803 “An Act to Clarify Comprehensive Planning and Land Use Ordinances,” came out of committee with a unanimous ought to pass report. This bill implements recommendations to improve local comprehensive planning.

Panel Presentations

I. Economist Panel:

Charlie Colgan, Muskie School:

Charlie began his presentation by saying that Q of P does matter since it can attract business, capital, and labor. But Q of P can also be a trap, since it tends to attract “lifestyle businesses” that don’t want to grow. It can also lead to a protectionist, anti-change culture. Once people move here, they want Maine to stay the same, posing a problem for those who would like Maine’s economy to grow.

Charlie pointed out that every state has its own definition of Q of P – the “Kentucky Bourbon Trail” was cited as an example. For Maine, he suggested that a Q of P definition might encompass three things: mobility, amenities, and design.

Sustaining these three characteristics presents challenges. If mobility is defined as time, money, and convenience (i.e. “traffic”), Maine is doing well. But projections show that Mainers will spend 30 million more hours per year in their vehicles by 2030. Traffic congestion is coming to Maine, if we don’t do things differently. As for amenities, he noted that state parks are located far from population centers and more could be done to bring parks, walking trails, even sidewalks closer to where people live. For design, he suggested a Governor’s Award for Historic Preservation in the 23rd Century as a way of pointing out that we need to encourage developers and builders to build for long term aesthetics and quality. Finally, Charlie posed a key question for Council consideration: Does Maine want to welcome new people or not? (See Colgan PP presentation attached)

Chuck Lawton, Planning Decisions:

Chuck expanded upon the attitude problems Maine faces in dealing with change. Chuck argued that Maine is in the midst of a change in economic era from one that was predominantly based on extraction and cheap labor to one based on knowledge and services. He shared a map which showed decreases in average income, the farther one is from the Boston area. Chuck offered two perspectives, one that Maine’s economy is changing and that we need to understand this fundamental change; the other, that there is

an anti-development attitude in Maine and we need to confront this attitude in order to move forward with the kind of growth Maine wants. Chuck left the Council with a key question: “How can we embrace new opportunities while preserving what people love about Maine?” (See Lawton maps attached)

Ed Cervone, Maine Center for Economic Policy, for David Vail, Bowdoin College:

On David’s behalf, Ed asserted that Q of P is critical for rural Maine’s future, and that the potential for tourism is unrealized. There needs to be a “big push” to develop a “twin park” strategy that could connect Acadia and the North Woods as destinations. This vision needs bigger investments than we’ve seen or that are now proposed. We also need to upgrade and invest in cultural and heritage amenities. He suggested that the north woods might be designated as a national heritage area. Two recommendations were made: 1. To support local gateway towns, by expanding the Main Street Maine program; and 2. To invest in a “big push” cluster in the Norway-Paris-Bethel area. Ed also emphasized the need for affordable housing, so that Maine natives aren’t pushed out of growing communities, and workers may live near prime tourist areas. (See Vail Q of P text attached)

II. Planner Panel:

Jane LaFleur, Friends of Midcoast Maine:

Jane noted that much criticism has been directed toward southern Maine for the way it has sprawled, yet other communities are just as poorly equipped to address it. She noted that protecting farms and working waterfronts is important to maintaining Q of P. She also noted the minimum lot sizes and other state regulations that contribute to sprawl. There are tools towns may use to address sprawl, but in many towns they are not being used. She said a regional transfer of development rights program needs to be considered. Jane also noted that land use planning would be much more effective at a regional level and her hope that the state could facilitate regional planning.

Frank O’Hara, Planning Decisions:

Frank spoke about market forces and how they affect land use development in Maine. Parts of Maine are part of the Boston economy (with high land and housing prices) and parts of Maine are not. The most interesting area (and where we can have the most influence on future land use) is the “front of the wave” where areas are just joining the Boston economy. He made the case that public investments are too scattered and not targeted to specific places where they can do the most good. He cited the Land for Maine’s Future program as “opportunistic,” where investments are targeted to areas of state or regional significance. He also noted that Maine’s regulations – including zoning, ADA (Americans with Disabilities Act), and parking requirements – create development where things are not within walking distance. He finished by asserting that if we do not work with market forces, public effort and money will go to waste.

Evan Richert, Muskie School, Town of Orono:

Evan began by asserting that good ideas for the built environment mostly fail. He attributed this failure to a conflict between two opposing philosophies about

development, which he characterized as “Realists” and “Utopians,” with the following attributes:

Realists

- Favor large public works projects (sewage treatment, Hoover Dam for examples), zoning, and urban renewal.
- Value stability, predictability, efficiency, home rule, private property rights, and status quo.
- Key contributors to this view: Robert Moses, Edward Bassett, Herbert Hoover.
- Zoning is seen as a tool to protect private property rights.
- Individuals are emphasized and “community” is defined as an aggregation of individual interests.
- Quality of Place implications: the realist view sanctions sprawl, emphasizes privacy and individual property rights, and expects public investment to take care of commons problems.

Utopians

- Favor racial and economic integration, ecology, relationships between elements.
- Key contributors to this view are Theodore Roosevelt, Lewis Mumford, and Aldo Leopold.
- Value relationships between different kinds of development, relationship of homes to the street, design ordinances protect the scale and character of a place.
- “Community” is seen as the commons, wholeness, greater than the sum of individuals.
- Q of P implications: the utopian view is anti-sprawl, emphasizes Maine’s unique brand, favors 100-200 square mile planning regions, favors regulations that focus on the look and feel of a whole region or whole town, favors design ordinances, human scale development, walkable towns and cities.

In conclusion, Evan argued that large incentives to move towards the utopian view are needed, saying “we need incentives that are so big, if you don’t take the carrot it will feel more like a stick.”

Comments and questions:

Edward Barrett noted that state regulations (DEP, traffic) are putting downtowns out of business by making it so difficult to develop there.

Evan Richert suggested that some kind of regional planning is needed with a local option sales tax available to implement the regional plan (this was a specific recommendation of the Brookings report)

In relation to cluster development (subdivisions with an open space requirement), it was noted that developers will comply with whatever rules are set, they just want to know what the rules are.

A demonstration project where state and local resources are targeted was suggested.

Karin Tilberg, the Governor’s liaison, offered the idea of a future meeting with LURC commissioners who are updating their comprehensive land use plan soon

III. Creative Economy, Downtown Revitalization, Historic Preservation Panel

John Rohman, Maine Arts Commission and Creative Economy Council:

John cited examples from Dover-Foxcroft and Bangor where significant investments in the arts attracted other business activity that revitalized the downtown. After the University Art Museum and Children’s Museum moved to downtown Bangor, over 20 new restaurants have opened there. Examples of the economic investments that could revitalize downtowns include raising the cap on the historic tax credit, making the tax credit refundable, adopting rehab codes, designating funding for downtowns, creating master plans and mixed use zones for downtowns and reducing auto-centered development (all of these were recommended by the Brookings report). He finished by reminding everyone that while we are worried about losing our downtowns, at least we have them, where some parts of this county don’t.

Hilary Basset, Greater Portland Landmarks:

Hilary outlined why historic preservation is an economic development strategy. She said studies have concluded that historic preservation projects create more jobs than construction of new buildings, they sustain specialty trades, and heritage tourists spend more time and money than other tourists. She also cited studies showing that whenever a house or property is marked historic, the value stays the same or increases, but never decreases. She gave several examples of this in Portland and discussed how people come to the city for its historic feel. In regards to action, Hilary noted that the historic tax credit expansion (now being considered by the Legislature) could create another 800 jobs per year. She noted that rehabilitation codes need to be implemented and that there needs to be administrative support for communities for the codes. She also noted that the discussion in redevelopment needs to get beyond “where do I park.”

John Bubier, City Manager, Biddeford:

John is currently the City Manager of Biddeford and was previously City Manager for Bath. He stressed the need for a new toolbox to save historic downtowns and allow rehabilitation. Codes and parking criteria need to be more flexible and incentives like the historic tax credit need to be enhanced to make the return on investment in redevelopment more attractive. He pointed out the difficulties in changing the use of old buildings. Old mills, for example, had one owner and one heating, electric and plumbing system. Changing that kind of building to one with 200 tenants all with separate utilities, is an expensive task. He gave a list of items that could support rehabilitation of downtowns:

- Performance-based parking standards, adoption of a rehab code
- Support for multi-modal transport, including airports, buses, trains
- More community investment in signs, facades, sidewalks, lighting, public wharves, etc. that will attract and support private development
- Local ordinances that allow housing in downtowns
- Tax code changes to support downtown development

IV. Business Panel:

David Whitney, Whitney Family Business:

David offered a perspective from Washington County, pointing out that Washington County embodies quality of place. David suggested that the catalyst for the sale of north woods lands was regulation by the state. David discussed the influx of newcomers to Washington County and told of how in many cases these newcomers were at odds with locals about land use and other local issues. He illustrated this point with a story about a proposed ordinance that would have prevented lobster fishermen from starting their engines early in the morning. David read a letter from the Washington County Leadership Institute that outlines a large number of proposals for Washington County development. As David's allotted time elapsed, Dick Barringer asked that he summarize the letter, and David ended his presentation. (See WCLI letter attached).

Ken Young, Kennebec Valley Council of Governments:

Ken currently assists with planning in 63 towns in the Kennebec area. He stated that he doesn't know if Quality of Place is an economic driver. He questioned the importance of Q of P to businesses, citing LL Bean and Land's End as top competitors in the apparel industry where Quality of Place may not matter. He then presented two ways of looking at business development: a "recruitment strategy", where we solicit businesses on a commodity basis, using cheap labor and tax incentives as our selling point; or a "business asset strategy" where we could market specific assets such as geographic features and specific skills within the labor force to companies that might be interested in those assets. Success is more likely to come from an asset strategy, yet he sees Maine's current strategy for business recruitment and tourism as recruitment strategies. In conclusion he urged that the Council consider Maine not as a product looking for a market, but to find the markets that need what Maine has to offer.

Kevin Mattson, Harper Development Corp:

Kevin's company focuses on redevelopment projects such as converting old mills into office space. He began his presentation by stating that in his business, Quality of Place is an essential driver. In considering locating in Maine, his clients are attracted to three major things: Maine's natural places, compact and beautiful downtowns, and its close knit communities. Of the three, the close knit communities are the most important aspect. He noted that investors are often willing to accept a lower return on investment because of personal ties and good feelings about Maine. He then presented a list of things that need to be done to preserve Maine's attractiveness to business, including:

- Telecommunications infrastructure, which used to be state of the art in Maine, is now aging and needs upgrading.
- Building and rehabilitation codes must be implemented for ease of construction
- Parking must be addressed and publicly subsidized, because no one will move in if there isn't parking.
- ADA accessibility needs to be available
- Incentives for green design could strengthen Maine's brand and be an incentive for development

- Sprawl should be mitigated financially through an impact fee on large developments—put an impact fee on big box stores, to invest in downtowns
- Environmental regulations for vernal pools and shorebird habitat should be upheld, since they shrink the supply of developable land and make land more valuable
- Rural residents need to be educated about sprawl—the current conversation about sprawl seems elitist and irrelevant to them, yet they, too, have difficulty dealing with new development

Facilitated Discussion (Jack Kartez, facilitator)

After hearing from the day’s panelists, Council members offered their initial reactions and assessed the implications for their work.

Potential Focus Areas

1) Regional Approaches – The need to approach economic and community development from a regional perspective arose throughout the day. Several panelists and Council members touched on ways to encourage regional land use and public investment planning. In general, Maine would need carrots and sticks to make regionalization happen. The receipt of some state funds (CDBG, planning grants, etc.) could become contingent upon demonstration of regional collaboration. There may be a practical limit to how distant communities will collaborate. For any individual community, the return on investment seems greater at the regional level than at the state level. Determining the best geographic scale for defining regions will be important.

2) Cultural Barriers – “Maine is schizophrenic.” Some historical Maine attitudes and perceptions may work against us as we attempt to operate in a new economic era. Our aversion to people “from away” limits our ability to attract new residents and economic opportunities. Unwillingness to accommodate the interests of new residents and visitors threatens their continued presence and our image as friendly and welcoming. Inability to acknowledge new economic realities limits our ability to respond to them. Further, our tendency to spread public investments thin, rather than target a few promising areas, limits the impact of scarce resources.

3) Role of State Government – The role of state government as a funder is limited and local communities have few other revenue options. The Council may need to consider something like a local option tax as a funding mechanism for its proposals.

4) The Value of Quality of Place – As the Council clarifies its conception of Quality of Place, it will be important to know how various other people and businesses define it. Demographic and economic factors may make some people and businesses value some aspects of Quality of Place more than others. It will be important to figure out who our market is.

5) Regulatory and Programmatic Strategies—A number of presenters suggested regulatory and programmatic strategies that could help preserve or enhance Maine’s Quality of Place. These strategies echoed recommendations in the Brookings Report and included implementation of building codes, review of parking requirements, enhancing the historic tax credit, facilitating regional land use planning, mitigating sprawl through impact fees, and investing in telecommunications and downtown infrastructure among others. It will be important for the Council to sort through these ideas and identify which recommendations are the highest priorities at this time.

6) Education and Building Public Support—As the Council thinks through its recommendations, it will also need to think through who will support and who will oppose them. A theme running through a number of presentations was that of differing and even opposing views about whether and how Maine will embrace its future. There are those who embrace growth and development, and those who do not. There are those who put the highest priority on privacy and individual rights, and those who put the highest priority on the commons and developing communities as a whole. It will be important for the Council to reach out to those who have different views and craft recommendations that can accommodate the diversity of opinion that we have in Maine.

Information Needs

The Council would like to hear from several agencies in order to develop recommendations that complement existing projects that influence Maine’s Quality of Place. These agencies might include:

- LURC (regarding plans for the North Woods),
- LMF (regarding conservation/preservation outlook),
- DOT (for its perspective on mobility),
- Service Center Coalition and/or MMA (for the municipal perspective), and
- DECD (perhaps at a later date).

Understanding the perspectives and activities of these groups will help the Council development complementary recommendations. The Council would also like to know more about the demographics of Maine’s recent in-migrants, in order to determine who constitutes Maine’s current market.

Desired Outcomes

The Council chair indicated that the Governor would like the Council to do three things: 1) Determine the extent to which Quality of Place is a viable economic and community development strategy; 2) To the extent that it is, determine what Maine must do to move that strategy forward; and 3) Help make the case to Maine people that the Council’s recommendations deserve their support. Moving Maine successfully into a new economic era will require hard choices, and we need to be honest about that. This may be a time for truthfulness.

Tasks

In order to achieve those outcomes, the Council needs now to:

- Define the attributes of Maine’s Quality of Place (articulate a vision).
- Determine Maine’s market (might require a business “shopping list”).
- Determine what actors and actions are necessary to implement the recommended strategy.
- Determine the best scale and timeframe for making the recommended changes and investments.

Moving Forward

The Council scheduled its next meetings on June 19th and July 13th, 10 a.m. – 4 p.m., in Augusta. At the first meeting, Council members will craft a working definition of Maine’s Quality of Place that may be tested and modified as their work progresses. They will also receive a presentation from one of the agencies noted above (probably DOT) and review Henry and Kate’s whitepaper. Other agencies may be invited to the second meeting, although the agenda is not yet determined.