

Governors Council on Maine's Quality of Place

Minutes of the Sixth Meeting, October 2, 2007¹

MaineDOT Conference Room, Augusta

Next Meeting of the Council: October 16th, 1:00 p.m. to 5:00 p.m., Augusta {Place to be determined} (refreshments will be provided, but not lunch)

Present: Council members: John Rohman, David Whitney, Barbara Trafton, Bruce Hazard, Richard Barringer, Jay Espy, Henry (Hank) Schmelzer, Hilary Basset, Charles (Chuck) Lawton, Mary Kate Reny, Eleanor Kinney, Evan Richert, Ken Young, Martha Freeman. Staff: Sue Inches, Kate Reilly, John Del Vecchio, Jody Harris. **Absent:** Ed Barrett, John Marsh, Tracy Michaud Stutzman, and Kevin Mattson. **Others Attending:** Jeff Austin, Maggie Drummond, Kathy Fuller, Frank O'Hara, Jennifer Melville, Jeff Romano.

Introductions & Greetings: Richard Barringer opened the meeting at 1:30 p.m. with the introduction of Council members, staff, and guests. He reviewed the agenda and expectations for the meeting. Consulting with Council members, a date was selected for the next Council meeting—October 16th. The Legislature's Prosperity Committee meets on October 23rd.

Note: Attached to these minutes is a pdf version of the power point slides used during the Council meeting and referenced as attachments in these minutes.

Richard then gave an overview of the work done to date, starting with the charge to the Council outlined in the Governor's Executive Order, presentations by the various distinguished experts, the work of the focus groups, important Council comments, and follow-up work conducted by State Planning Office Staff. (pages 1 & 2 of attachment)

Draft Council Findings

Richard Barringer asked Council members to comment on draft Council findings (pages 3 & 4 of attachment), summarized below:

1. Maine's Quality of Place is an economic good or asset of real and increasing value.
2. Today's high-growth industries (including R&D, healthcare, professional services, nature & heritage-based tourism, retirement, etc.) especially value Quality of Place and are attracted by it.
3. Successful Quality of Place protection/development initiatives are generally found to be regional, strategic, and multi-dimensional in nature and organization.
4. "Asset-based" strategies complement more traditional approaches to economic development, and build upon a region's unique strengths and marketable assets to create opportunity and strengthen the assets

5. Maine's Quality of Place, our unique and marketable assets, includes our natural environment, historic heritage, downtowns, forestry, maritime and agricultural heritage, traditions of integrity and hard work, and physical infrastructure, businesses and civic organizations.

6. This is a crucial moment where our competitive advantage in quality of place is strong, but we face its loss if we don't take action to protect and strengthen it

7. Numerous nations, states, counties, cities and towns, and non-profit organizations today pursue asset-based development strategies, though not always by this name.

8. Maine is not now well-organized to respond to Quality of Place threats and to realize an asset-based development strategy.

9. To protect and build upon Maine's Quality of Place, Maine needs to foster and pursue an asset-based development strategy that is comprehensive, multi-dimensional, and regionally-based.

Several Council members cited the need to make sure that "Quality of Place" is clearly defined and quantifiable in order to measure progress and manage change. Council discussion covered approaches to managing/protecting Quality of Place. There seemed to be general agreement that it is important to not only protect what we have, but also to encourage and support Quality of Place as Maine grows. Also discussed was the Council's mission: is it to protect Quality of Place for current residents or to attract people and create more jobs? Innovation was seen as the key to growth in our state. Some saw a conflict between attracting innovation and preserving our landscapes for tourism. But there was general consensus that support for Quality of Place can benefit all—residents, tourists, and those we want to attract and keep. Based on the discussion, Council members agreed that a better presentation of background/findings/recommendations is possible by reordering the findings: as, Finding #5 should become Finding #1; that Finding #6 should become Finding #2, and that Finding #2 should become Finding #3. Council members also expressed a desire to focus the findings further than they are in the current draft. Bruce Hazard suggested that the findings and description of Maine qualities provide a frame of reference for understanding better which markets to target. Hilary Basset observed that it is important to know what the critical pieces to Maine's built environment are in order that we have a better idea of what we can and cannot do with respect to fostering Quality of Place. Council Members discussed qualities that are important to Maine, such as our large undeveloped tracts of land, our highly accessible government, and our town forums and the accessibility of our natural environment. Some Maine assets are key contributors to our quality of place but are not be unique to Maine. Ultimately, Maine's qualities combine to create a critical mass and combination of assets that not only holds and attracts people, but also supports the innovation so important to Maine's future economic health and prosperity. The Council asked staff to rework the findings to reflect what is, and what is critically important about, Maine's quality of place.

Asset-Based Development Discussion—Kate Reilly

Kate reviewed with Council members key aspects of asset-based development and how it is integral to a strategy to strengthen and build upon Maine's Quality of Place.

Asset-based development:

- Builds upon a region's comparative advantage
- Identifies region's unique assets
 - workforce
 - businesses, organizations, institutions
 - natural, historical, cultural resources
- Develops strategy and related initiatives to capitalize on a region's strengths
- Leveraging knowledge of local players means leadership comes from within region

Needs-based development:

- Identifies region's deficiencies or weaknesses
- Creates initiatives to correct them
- A strategy based on compensating for a region's weaknesses
- Outside players often lead this approach because the region is seen as a client needing outside assistance

Asset-based and Needs-based development both have roles to play in a region:

- Needs-Based Development is more crisis-oriented and remedial
- Asset-Based Development is more visionary and planful

Council discussion highlighted the importance of innovation and the fact that innovation is fundamental to Maine's future economic success, the key to protecting what's already here as well as to keep and attract the skilled individuals we want to attract. Eleanor Kinney pointed out that innovation will bring new life to the natural resource sector. Mary Kate Reny identified the need to pay attention to the private landowner component to our Quality of Place strategy. Chuck Lawton shared his experience interviewing successful business entrepreneurs and his observation that innovative people, when accessible, help drive the economy; he also observed that often our businesses have rather small scale, specific needs, e.g. the need to attract and hire just 2 or 3 highly skilled people to succeed. Ken Young offered a brief overview of comments already made and why it is important to recommend explicitly, that Maine needs to shift its economic development policy from being 90% needs directed/ 10% asset based, to something more like 50/50. John Rohman observed that the Quality of Place findings go beyond innovation – that there are broader interests here that respond to that Quality of Place and should not be lost.

Hank Schmelzer noted that Maine people themselves are unique in their spirit, sense of civic commitment, and their connection to Maine's history – all of which is uncommon elsewhere.

Downtown Focus Group Recommendations.... Jody Harris reviewed revised draft recommendations with the Council (attached on pg. 6) which include:

1. Enact the Maine Community Preservation Act with \$25 million
2. Create the Maine Intrastate Trail System
3. Provide Communities with Downtown Development Assistance
4. Enhance Historic Preservation Tools
5. Support the Work of the *Resolve 46* to Implement Uniform Building Codes

Discussion: Ken Young stated that the Maine Downtown Center is floundering at present; it suffers from lack of funding and its placement in a non-profit organization with its own fundraising needs that compete with the Downtown Center's needs. The Downtown Center needs to be some organization's focal point in order to remain viable and respond to needs/demands. Hilary Bassett pointed out the need for assistance for renovating individual small buildings in downtowns and village centers. Bruce Hazard cited the need for a coordinated, strategic approach for supporting downtowns. Similar to the combined approach Alec Giffen proposed for conserving forestland, it was suggested that a public/non-profit and private consortium is needed to fully address Maine's downtowns.

Regional Landscape Conservation Focus Group Recommendations.

John Del Vecchio reviewed revised draft recommendations (attached on pg. 6), which include:

1. Provide Guidance Based on What's Working
2. Support and Fund Regional Land Conservation
3. Engage in Inclusive Regional Planning
4. Strengthen LURC
5. Review and Strengthen Site Law

Discussion: Evan Richert suggested that the Council's findings and recommendations support efforts to integrate the STPA (State Transportation Policy Act), the Site Law, and the Growth Management Act. Kathy Fuller informed the Council that a number of successful actions have already been taken to support this integration, and that there is opportunity to do more. Richard Barringer asked if Kathy and John would work with DEP and other staff to explore opportunities to make progress in integrating these state programs which all relate to growth and Quality of Place. John was also asked to revise the recommendations related to the Site Law to include more specific action items. Chuck Lawton offered an additional recommendation to set up a "cap and trade" program that would allow development in one area to be offset by conservation in another area. He pointed out that this would add a needed tool for preserving undeveloped land that we don't have now, between regulation and public acquisition.

The Council agreed to add exploring this recommendation to its report.

Regional Asset Based Strategy Recommendations Sue Inches presented revised draft recommendations from the Regional Planning and Governance Focus Group (attached on pgs. 6, 7). Recommendations for two options were offered:

Option 1: Status Quo

- Encourage regional planning that complies with current state program goals (e.g., Growth Management Act)
- Regional planning done by ad-hoc networks and groups, also some more directed regional planning efforts including Gateway 1
- Planning grants from the state made available on a competitive basis (SPO, Fund for Regional and Local efficiencies, CDBG)
- Activities facilitated through networking and conferences to share best practices

Option 2: A Strategy for Regional Asset Development

Empower Regional Councils of Government to complete “asset based development strategies” that preserve, enhance and market the unique strengths of regions in Maine.

- Based on a regional community vision
 - Build and support regional strengths and valued characteristics (“assets”)
 - Direct state funding to regional priorities that meet asset-based development goals
 - Be carried out within Regional Council structure
 - Allow some funding decisions to devolve from the state to the regional communities
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- How Option 2 Would Work
 - Criteria for regional asset-based development strategies developed
 - Planning funds available to Regional Councils to put together strategies based on criteria
 - Regions that satisfactorily complete asset-based development strategies eligible for additional funds to implement the strategies

Discussion: Martha Freeman pointed out that the enabling law for Regional Councils already provides for a regional structure that can do everything the Quality of Place Council has identified as being desirable regional activities/responsibilities. Regional Councils may be authorized by their member municipalities to carry out any municipal function except taxation and eminent domain. Mary Kate Reny observed that people and legislators understand that there are changes ahead if Maine is to be successful. By using these Regional Councils we’re using what we have already and only making them better. We need to be aware of assets that go over these Council boundary lines. Bruce Hazard characterized Maine’s existing dilemma of wanting to do market and asset-based planning and development having regions with boundaries that don’t always coincide with regional markets, development, or resource boundaries. Maine’s asset groups do great work and have the capacity already in place; they just don’t always conform to the Regional Council boundaries. Ken Young pointed out that his Council is structured to foster work done by other groups, while still serving a coordinating, supportive role to these existing asset groups. Sue noted that the criteria for asset based strategies could include identifying how Regional Councils would work across boundaries, if markets or assets require cross boundary coordination. The Council agreed that staff should move ahead to develop Option 2.

Asset-Based Development Strategy (A-BDS) At the request of staff, Richard Barringer stepped down from the chair to present options for re-structuring state government’s role, to be more fully supportive of regional-based A-BDS, including:

A. The Options

1. Leave state structure (est. 1954-72) as it is, hope for the best.
2. Specify functions– agencies – programs – personnel to be assembled and/or coordinated, leave HOW to the Governor and Cabinet
3. Specify what, where, how

B. Funding A-BDS planning & implementation

1. Leave State categorical grants as they are, hope for the best.
2. Seek to combine as many as appropriate into block grants to implement A-BDS plans.

Discussion: Ken Young chaired the Council’s discussion regarding Asset-Based Development Strategies.

The Council considered whether or not savings would be realized by undertaking the type of restructuring discussed (Option 2), and whether that savings would add momentum for change. Richard Barringer saw several cost saving opportunities by re-structuring, including changing categorical grants into block grants to regions and improving overall administrative efficiency. Eleanor Kinney observed that we would be better able to track effectiveness of funds if functions/programs weren’t so dispersed. The “BRAC Commission” recommendations are not expected to create immediate financial savings, however; they are expected to bring Maine a more modern, integrated government over a ten year period. When asked how he thought the Governor would react to restructuring, Richard Barringer expected that he would be. Mary Kate Reny commented that as a package, this proposal has the regions setting priorities, not state bureaucrats—“this is a huge piece.” David Whitney shared his feeling that distrust of state government is common, so if the Council were to make these recommendations to the Governor it should be well received. The Council directed staff to further develop restructuring Option 2 and funding option 2.

Paying for Recommendations Martha Freeman reviewed and discussed overall funding options, including:

- Bonding
- Lodging Tax
- Revenue Sharing
- Block Granting

After discussion the Council asked for a specific recommendation and to return to this matter next time, prior to finalizing a decision.

Richard asked if any Council members were interested and able to assist the staff with drafting the Council's final report: Ken Young and Hank Schmelzer volunteered. Mary Kate Reny raised the need for public relations/promotion of Council recommendations and report; Mary Kate and Eleanor Kinney agreed to develop recommendations for an advocacy effort. Richard Barringer closed the meeting at 5:30 p.m.

Next Meeting of the Council: October 16th, 1:00 p.m. to 5:00 p.m., Augusta {Place to be determined}

Attachment: a "pdf" version of the power point slides used during the Council meeting.

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.