



Nancy Smith <nsmith@growsmartmaine.org>

Fwd: CDBG program changes public comment / testimony

2 messages

Kevin Bunker <bunker.kevin@gmail.com>

Thu, Oct 29, 2015 at 3:10 PM

To: Nancy Smith <nsmith@growsmartmaine.org>, Yellow Breen <yellow@mdf.org>

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From: **Kevin Bunker** <bunker.kevin@gmail.com>

Date: Thu, Oct 29, 2015 at 3:10 PM

Subject: CDBG program changes public comment / testimony

To: "Johnson, Deborah" <deborah.johnson@maine.gov>

Hi Deb,

I'm writing to you today to offer testimony on two proposed changes to the CDBG program: elimination of the Downtown Revitalization program category, and elimination of the support of the Maine Downtown Center. I'm writing from the perspective of a developer who has made a career out of working in many of Maine's downtowns and built-up areas on smart growth projects. Since 2007, Developers Collaborative has completed over \$200 million of development in places like Livermore Falls, Orono, Waterville, Lewiston, and Augusta, as well as Portland, South Portland, Biddeford, and Westbrook.

Trained as a planner, I have as you know had familiarity with the CDBG program for over a decade. At one point in my planning career I was even a DECD-approved CDBG Administrator. I am not sure if I still retain the certificate. In any event I have written and implemented, either as both a primary and secondary responsibility, successful CDBG grants involving Facade Improvement, Downtown Revitalization, Public Facilities, Public Infrastructure, Business Assistance, and Housing Assistance.

As a smart growth developer, my projects are a laboratory of sorts as to what works and what does not in terms of revitalizing downtowns. If development projects do not "pencil out", they cannot achieve any community goals at all. So, my work is focused on finding the sweet spot between a reasonable return for investors and a project that provides not just development activity for a community, but additional benefits as well, be they social, environmental, etc.

I have always thought the CDBG program was a great tool to achieve the types of projects that would provide these multiple bottom line benefits, and therefore why I've continued to use the program even after transitioning from planner to developer. While the amount of funds will always be small relative to the need, I have seen them make all the difference in the world to the communities where those investments are made.

Downtown Revitalization, I think, is perhaps the most important one of these programs. I would agree that the devil is absolutely in the details in terms of the actual project expenditures. A DR project may have a great return or no return depending on how the money is spent, and in this way is not so dissimilar to many types of investments. Simply turning on the spigot of dollars is no way to go about it.

Therefore, it follows from this that if the administration has different priorities, or has issues with how past dollars have been spent, and maybe doesn't want to pay for streetscape enhancements, etc., then that should be

reflected in the scoring criteria, not in a complete cut of the category in favor of some other. The one Business Assistance grant I was involved in, by the way, was as a planner for the City of Rockland. A seafood processor got a grant for new equipment and I believe went out of business anyway. Downtown revitalization dollars spent are, anecdotally, at least as likely to be successful as other program categories if not more so. The shot in the arm that \$500,000 can represent for a community without a lot of other options can truly have a catalytic effect, if properly managed. This can be ensured with robust scoring criteria and program oversight.

I am under no illusions that my voice drives policy in Augusta, however, and if the powers that be have already decided that money needs to go toward other needs like drug enforcement or prevention, I would strongly suggest that it be the latter. Enforcement is a failed policy, for one; and does little for communities in the long term. Prevention, however, can work, and is more in line with the community development spirit of the CDBG program. A Downtown Revitalization pilot project could be undertaken in one of the entitlement communities, that would involve a new community center focused on youth engagement in activities other than drugs and alcohol. If successful, the model could be expanded to the state wide program. It makes sense to start with an entitlement community since they are the largest and would likely have the most need in this area. In the meantime, the DR program should stay as is (with the exception of different criteria if that is important). This way, the policy imperative to address the huge scourge of drugs in our communities could also fit in with the downtown revitalization aspect that is so important to our communities.

A second aspect upon which I'd like to testify is the proposed elimination of funding of the Maine Downtown Center. I think that for the small dollars this investment represents, there is a very good payback on it, given the successes in Main Street Communities across the state. Of course the problem one can raise with this is that it cannot be quantified. After all, who is to say that those successes are (or are not) a result of the Main Street Program? Would they have happened anyway?

Now, I think much the same difficulty exists in evaluation of many public investments; but that doesn't necessarily mean they should not be made. It means we should think thoughtfully and make the best decisions we can with imperfect information. And again, this is small dollars to the state budget and even the CDBG budget, but a large amount for the Maine Downtown Center.

I have been asked to come to many towns and either offer my advice; and usually to also buy a site or a building and do a smart growth project while I am there. Downtown revitalization is a tough business and many times I do not have good news to share. But, when trying to find good investments, I absolutely do think differently about places that have enough going for them that they are able to organize a Main Street group. It means I won't be speaking a foreign language when I discuss smart growth. It means my projects already have advocates built in, which leads to success with Town Councils and Planning Boards. It means that there are others in town hoping to build off any successes I may have. And it means that those people are willing to help publicize that a statewide developer thinks it a good use of time and resources to invest in that place. Am I more likely to invest in a place with an active, well-run Main Street program? Unequivocally, yes. It's a good sign that conditions exist for me to be successful with my particular brand of investment.

The Governor and his staff had a first-hand look at an extremely high-functioning example for many years in Waterville Main Street. Quantifiable successes for many years were by some measures modest. But look at what is happening now! Colby is getting ready to invest tens of millions of dollars in that downtown, and businesses are lining up to get on board. I believe that years of advocacy finally bore fruit and that WMS had a big role in that, as did the City administration, who consistently advocated for a larger presence over the years. This is the kind of transformative effect that Main Street communities can have.

A less dramatic example comes from my own work in Livermore Falls. I was working with a hospital on a new location for a medical arts facility. I steered them toward a downtown location because that is where the community was most likely to see a spillover effect in terms of further development. When I came to town in 2009, the Downtown Betterment Group had been working for years on a downtown plan which gave me the

blueprint for our project, which has been a big success. The DBG also co-sponsored a successful CDBG application which made the project feasible. Following up on that, a year later I was able to save the oldest building in the downtown and fill it with more medical users, again thanks in part to the work of the Betterment Group. If that work had not been there, it is questionable whether I would have been able to successfully secure the financing.

When the Betterment Group was doing their plan in 2003 and 2004, I don't know if they knew how important it would one day be. They probably asked themselves if it was going to make a difference someday, or if the plan would lie on a shelf and gather dust. Waterville Main Street may have asked themselves much the same things as buildings remained on the market and empty. Those same questions are what the administration is apparently asking now: what is the return on this investment? I would argue that sufficient evidence exists to continue making it.

Thanks,
Kevin Bunker

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Our latest project: [Nathan Clifford Residences](#). 2-3 BR apartments in a Portland historic school. 100% full in 3 months!

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To: Kevin Bunker <bunker.kevin@gmail.com>
Cc: Yellow Breen <yellow@mdf.org>

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Fantastic, Kevin.
This is perfect.

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[Check out our newly released searchable clearinghouse of resource organizations throughout Maine at makingheadway.me](#)

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