



*Capital for Opportunity and Change*

Deborah Johnson  
Director, Office of Community Development  
Maine Dept. of Economic and Community Development  
Augusta, Maine

November 10, 2015

Dear Ms. Johnson:

Coastal Enterprises, Inc. (CEI) is a Community Development Finance Institution and a Community Development Corporation based in Brunswick. We have been investing all over Maine in small businesses, affordable housing and community facilities including a range of financing from micro loans to New Markets Tax Credit investments in downtowns. These investments include retail, health and internet services; fishing and farming industries; artists' studios, and food and housing projects.

CEI is opposed to the 2016 Proposed CDBG Program Statement to eliminate funding for downtown revitalization, including the \$400,000 available for community grants and the \$100,000 for the Maine Downtown Center. Funding for downtown revitalization and for the Maine Downtown Center is critical both for the investment process in Maine's downtowns and for economic development in communities.

### **Investment Process**

Community revitalization is a process that requires a critical mass of investment, talent, and community support. Financing builds on the assets in the community. There has to be a viable investment, and that requires entrepreneurs, developers, and supportive communities, particularly if they are proactive in promoting downtown revitalization opportunities. The small pieces of CDBG revitalization funding help catalyze investment.

The role of the Maine Downtown Center is critical to this process. They create both an incentive and process for communities to come together, build leadership, and develop a vision for their downtowns. For developers and financial institutions, an active downtown Main Street planning process creates a road map for investment and reduces the uncertainty of changes in public policies or planning regulations. This is a proven program as documented in the Maine Downtown Center's outcomes attached.

## **Economic Development**

Vibrant downtowns help attract people, workers and businesses to communities. They provide important amenities; they showcase the unique character and history of a community; and they demonstrate an active, engaged community. Downtowns attract tourists, but more importantly they attract people who do not want to live in “anywhere USA.” Maine benefits from this talent pool, not just the retirees who make Maine their home, but also younger people searching for authentic communities.

A few years ago we interviewed several younger people (under 40) who moved to small communities – Rockland, Skowhegan, and Cobbscook Bay – to learn their motivations for locating in these communities. The common themes were seeking quality of life, connection, and the desire to do something useful. Maine desperately needs to attract this younger cohort particularly to rural Maine. Our growing proportion of older adults and declining proportion of young people mean long-term labor shortages that we are already seeing in very low unemployment rates in southern Maine (three percent in Portland in September).

In summary, vibrant downtowns are often the first impression of the community. In addition to providing important goods and services, they reinforce connectivity that many people are seeking. They create distinctive places, and they provide physical spaces for people to interact and connect with each other. This is good for people and for the local economy.

Respectively submitted,



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