Revitalizing Maine's Downtowns

A report resulting from Executive Order 16 FY 04/05:
An Order to Strengthen and Restore Maine's Downtowns

Prepared by:

The Maine Downtown Center and
the Maine State Planning Office

October 2004

Errata:

This version of the report contains five corrections from the initial printing:

1. The printing appropriation number is shown below.
2. The misspelling of the word “Preservation” on page 1 is corrected.
3. The misspelling of the word “permanent” on page 1 is corrected.
4. “National Historic Trust’s” changed to “National Trust for Historic Preservation’s” on pages 3 and 5.
5. The misspelling of the word “Commerce’s” on page 8 is corrected.
6. The misspelling of the word “Realize” on page 22 is corrected.

Printed under appropriation number 010 07B 2907 012

Executive Summary

Maine's downtowns are critical components of the state's economic structure. Downtowns provide residents and visitors with retail, industry, tourism opportunities, and services all conveniently located. Vibrant downtowns provide local municipalities with increased revenues and help stabilize local tax rates, while attracting creative entrepreneurs and young professional talent. Downtowns in service center communities provide services and resources on a regional basis, mitigating the effects and costs of sprawl. Our downtowns are each unique, providing distinct cultural and social opportunities in lovely, historic settings. Both as economic engines and as ambassadors for the quality of life Maine residents and visitors enjoy, our downtowns are valuable treasures worthy of support.

A number of barriers exist at the state and local level that discourage or prevent downtown redevelopment efforts. Through conversations with stakeholders from across the state, the Maine Downtown Center and its partners have developed a series of recommendations in this report to increase investment in Maine's downtowns. The top three recommendations are:

- Downtown Revitalization, via the Maine Downtown Center, as a key component of the state's economic development strategy, with funding and marketing as part of that strategy;
- through a Community Preservation Advisory Committee stakeholder process, adoption of a statewide model building rehabilitation code and state fire safety code that are reasonable and feasible for existing building renovation projects;
- permanent capitalization of the Municipal Investment Trust Fund program.

Downtown revitalization is, by nature, an incremental process. It took decades for our downtowns to deteriorate, and there are no overnight successes. However, in four years

the Maine Downtown Center has achieved impressive results. With just over $600,000 in funding from state and private resources, the Maine Downtown Center has leveraged that funding with over $11 million in total new downtown investment, while creating 120 net new jobs and 45 net new businesses. There are few programs that can boast such proven success. With adequate funding for the Maine Downtown Center, adoption of a statewide building rehabilitation code and state fire code that is reasonable and feasible for downtown renovation projects, and permanent capitalization of the Municipal Investment Trust Fund program, these numbers will increase substantially in the coming years.

I. National Downtown Revitalization Best Practices

The movement to restore and reinvest in America's downtowns began in the early 1980s. Urban renewal programs from previous decades, while well intentioned, destroyed many historic and culturally important buildings, streetscapes, and neighborhoods. As people moved into suburbs, retail and industry followed. By 1980, large suburban malls and big-box retail had replaced traditional downtown commerce as icons of the American dream.

The abandonment of downtowns created enormous problems. To support the growth of suburban communities, huge infrastructure and transportation costs were incurred. Communities lost valuable historic properties and other cultural amenities, such as parks and recreational trails. The term "suburban sprawl" entered the lexicon of economic and community development circles. Some argue the social fabric of our communities changed, as people moved from traditional neighborhoods into tract housing developments. As shopping malls and big-box retail grew, small businesses and family enterprises faltered and closed, leaving downtown buildings vacant and deteriorating. Overbuilding of retail space has further exacerbated the problem, as big-box retailers have now begun abandoning suburban facilities.

A number of models for downtown revitalization have been developed over the past twenty years. There are two main resources for downtown revitalization in the United States: The International Downtown Association (IDA) and the National Trust for Historic Preservation's National Main Street program. Both organizations work with communities of all sizes interested in downtown revitalization efforts.

International Downtown Association: IDA is headquartered in Washington, DC and is a worldwide organization dedicated to creating livable urban centers. While IDA works with a number of different cities utilizing distinct approaches to downtown revitalization, the most successful and widely used model is the Business Improvement District (BID).

Used mostly by large urban communities (such as Los Angeles and Philadelphia), BIDS are geographically defined areas that collect special assessments on real estate property taxes charged to members within the district to fund projects and services. Property owners must petition the city in order to establish the district, and assessments are usually collected by the city and retained in a separate trust. Funds from a BID cannot be used outside of the BID, and should not be used to support existing city services. The basis of the special assessment can be assessed property valuation, square footage, street frontage, or some combination of factors. Funds are generally used for marketing purposes and for community policing rather than traditional economic development projects. Larger urban communities can generate millions of dollars in funds, and in some cases take over the management of parking garages and other city services.

The drawbacks to BIDS are that 1) the smaller the community, the less funds can be raised; smaller towns (less than 10,000 in population) tend to use BIDs for very specific purposes, such as street signs; 2) the program can be viewed as another tax on the business community, and many small business owners refuse to participate for this reason; and 3) businesses that participate in a BID district sometimes feel that is their contribution to downtown improvement, and fail to engage in the downtown culture and, even more important, in its social efforts and events. Here in Maine large communities like Portland, Bangor, and Lewiston/Auburn may find a BID a viable option to fund downtown revitalization projects. In smaller, less urban communities, which comprise the bulk of Maine, this model would be useful for specific projects, such as signage, awnings, or beautification projects such as flower planting, but unless the BID rate is set very high small communities are unlikely to raise enough funds for comprehensive revitalization efforts.[1]

Other models utilized by IDA include the downtown partnership model and the advocacy model. The downtown partnership model is usually several nonprofit organizations, each with its own specific function such as sidewalk sales, festivals, parades, and others under one umbrella. The advocacy model is similar to a traditional

[1] Phone interview, Dave Feehan, President of IDA, September 6, 2004; additional information from http://www.ida-downtown.org

Chamber of Commerce except that it advocates for a specific downtown area rather than one city or region. In many cases, these models are followed in conjunction with BIDs, and often the organizations administer BID projects.

National Trust for Historic Preservation: The National Trust for Historic Preservation's Main Street program is the gold standard for downtown revitalization practices across the United States. Founded in 1980, the model is now employed in 43 states. The comprehensive, volunteer-driven approach has revitalized downtowns of all sizes across the nation, after decades of urban renewal programs laid waste to our downtown communities. After 20 years, the National Main Street program boasts over $17 billion in new infrastructure improvements, a net gain of over 57,000 new businesses, and over 230,000 new net jobs created[2].

The Main Street model's four-point approach focuses on organizational development (such as board development, non-profit status, fundraising, and volunteer recruitment); economic restructuring (business attraction and retention, marketing, real estate development, and financial incentives); promotions (promoting a positive image, advertising, retail promotions, special events, and marketing); and design (window displays, parking, signs, sidewalks, street lights, and landscaping). While a few other models for downtown revitalization have been attempted, such as traditional urban renewal and paint-up, fix-up projects, most have failed because they did not address the human or social issues that affect traditional commercial districts, or recognize how such issues interconnect. In stark contrast, the Main Street approach has demonstrable, on-the-ground success stories that no other model cities program can claim, including job creation, increased infrastructure investments, business attraction and retention, and reinvigorated social activity and cultural opportunities.

While Main Street can be used in communities of any size, it appears to be most effective for those of population with 20,000 or less. Although smaller communities (less than 5,000) can sometimes be challenged by finding enough volunteers to sustain the program. It is important to note that BIDs and Main Street are not mutually

[2] 2002 National Main Street statistics, http://www.mainstreet.org/About/numbers.htm

exclusive programs; in fact, several Main Street communities utilize BIDs as a way of achieving Main Street goals.

Across the United States, the bulk of Main Street programs are housed in state agencies. Most common are state economic and/or community development agencies, state commerce departments, and state historic preservation offices. Only six of the thirty-five programs are separate nonprofit organizations, but with the exception of Maine, all still receive some form of ongoing state funds for program development.

The sources of state revenue to support Main Street programs vary, from general fund appropriations, state lottery funds, real estate taxes, CDBG program funds, state historic preservation funds, and private contributions. The bulk of the programs are funded either totally or in part through state general fund revenues, with some states finding creative sources of revenue. Arizona and Kansas both receive revenue from state lottery funds. Arkansas and New Hampshire both use forms of real estate taxes for Main Street revenue. Ohio and Wisconsin are able to use CDBG funds for their state program work. Some programs charge communities to participate; fees range from $1,000-$5,000 in NH, to $10,000 in Mississippi.

In order to gauge best practices for the Main Street approach, we selected four states that are close to Maine's population size and/or rural nature. Population figures cited are from the 2000 US Census; rural population percentages are from the 1990 US Census; and budget numbers are as reported to the National Main Street program.

New Hampshire: The New Hampshire Main Street program was founded in 1994 as a delegate agency of the New Hampshire Community Development Finance Authority (CDFA). The program has 20 designated communities, usually naming three new communities each year. As of 2002, the program had resulted in over $24 million in building improvements. New Hampshire Main Street receives funding through a number of sources including CDFA, the state tax credits, and private fundraising efforts. Recently, the state implemented a fee for each community in its program and requires minimum budget amounts for participation:

	Small Towns	Medium Towns	Large Towns
	Under 5,000	5,001 - 20,000	Over 20,000
Required Budget	$43,000	$54,000	$80,000
Year One	$3,000	$4,000	$5,000
Year Two	$3,000	$4,000	$5,000
Year Three	$2,000	$3,000	$4,000
Year Four	$1,500	$2,500	$2,500
Year Five	$1,500	$2,500	$2,500

Comparison	**NH**	**Maine**
Population	1,235,786	1,274,923
% rural	49%	55.4%
Annual State Main Street Budget	$523,000	$80,000

Vermont: Vermont's program began as a result of the 1988 Downtown Development Act enacted by the Vermont legislature. Designated communities are eligible for a number of state tax credits, loans and grants from various state agencies, and are given priority consideration for projects eligible for funding. Eighteen communities are currently designated. The program is housed within the Vermont Division for Historic Preservation and is funded as part of that organization's general fund allocation. In addition to its Downtown program, Vermont also has a Village Center program which provides similar program support to smaller Vermont communities.

Comparison	**Vermont**	**Maine**
Population	608,287	1,274,923
% rural	67.8%	55.4%
Annual State Main Street Budget	$170,000	$80,000

Arkansas: Similar to Vermont, the Arkansas Main Street program is part of the Arkansas Historic Preservation program, and receives support through that agency as well as the Arkansas Department of Economic Development. Funding is derived

through state real estate and conservation taxes. It is also closely affiliated with the private non-profit group The Historic Preservation Alliance of Arkansas. The program began in 1984 and now has 17 designated communities and a staff of 7.

Comparison	**Arkansas**	**Maine**
Population	2,763,400	1,274,923
% rural	46.5%	55.4%
Annual State Main Street Budget	$668,000	$80,000

North Carolina: North Carolina was one of the first demonstration states used by the National Trust to develop the Main Street approach in 1980. The North Carolina program is a division of the state's Commerce department, and is funded through the Department of Commerce's Community Assistance Division, which also houses the state's CDBG program. According to the program website[3], North Carolina Main Street communities have seen more than $789 million of new investment and experienced a net gain of 10,000 jobs in their downtowns since the program inception in 1980. The downtowns of these communities have also benefited from the renovation of more than 2,400 buildings, and new business startups exceed 5,400.

Comparison	**North Carolina**	**Maine**
Population	8,049,313	1,274,923
% rural	49.6%	55.4%
Annual State Main Street Budget	$265,000	$80,000

In addition to these specific, comprehensive downtown revitalization models, there are additional community development programs that have modules that can be incorporated into downtown revitalization efforts:

[3] http://www.dca.commerce.state.nc.us/mainst/

NeighborWorks: The national non-profit Neighborhood Reinvestment Corporation was created under Title VI of the Housing and Community Development Amendments of 1978, P.L. 95-557, to implement and expand the demonstration activities of the Urban Reinvestment Task Force. The principal purpose of the Corporation is "to revitalize older urban neighborhoods by mobilizing public, private, and community resources at the neighborhood level."[4] The program's primary focus is promoting affordable housing within urban communities. While the program offers some training in community and economic development, it focuses on the social factors around these issues rather than traditional economic development, such as business attraction and retention. Currently Community Concepts in South Paris and the Kennebec Valley Community Action Program are Maine's only participants in this program. The program does not provide a comprehensive model for downtowns that addresses all of the factors in revitalization, but provides highly-regarded training on housing, community loan pools, and community organizing; all of which can be valuable in downtown revitalization efforts.

Hometown Competitiveness: This model, developed by the Heartland Center in Nebraska, is designed to help small rural communities compete in a global economy. While not designed as a downtown revitalization model per se, the program's four focus areas can strengthen downtown revitalization efforts. The model focuses on entrepreneurship, leadership, youth development, and philanthropy, and provides specific tools and techniques for rural communities to revitalize themselves. The entrepreneurship piece teaches communities how to support local small business owners, and encourages communities to grow new businesses from within rather than trying to recruit large, new businesses from out of state – efforts which can be extremely costly and rarely pan out. The leadership piece encourages communities to develop local leadership programs, to ensure that there are people in the community that are engaged and capable of making good decisions for the community. The youth development piece focuses on working with middle and high school students to engage

[4] NeighborWorks website at http://www.nw.org

them in the community, with the assumption that if they have a good experience in the community as youth, they will be more likely to return to the area when they graduate from college and start to raise families. Finally, the philanthropy piece encourages the formation of local community foundations to fund special community projects, and looks at ways land donation and other planned gifts can be secured. All of these ideas can be incorporated into a strong downtown revitalization plan.

2. Maine Downtown Revitalization Best Practices

Here in Maine, the decline of our downtowns seems to have followed the national trend, beginning in the 1960s and peaking in the late 1980s/early 1990's, as the state began the transition from a natural resourced-based manufacturing economy to a service-based economy. Maine's manufacturing industry was predominantly located in or near downtowns, and the closing of these facilities negatively impacted other downtown establishments. Without mill and factory workers downtown every day to support the local economy by banking, shopping and eating downtown, neighboring retail, restaurants, and downtown services began to close as well. The introduction of suburban big-box retail also occurred in Maine at this time, and many small retailers were forced to close because they could not compete against companies like WalMart. Many of our downtowns in Maine at this time house empty spaces that were once home to the first generation of retailers, such as Ames, J.J. Newberry's and Woolworth's. At least one community, Auburn, has a vacant WalMart building because the company chose to build a larger facility directly across the street from its original location. The combination of closed manufacturing facilities and the advent of big-box retail stopped people from coming downtown and drew them out to suburbs, leaving many downtowns vacant and forlorn.

In recognition of the importance of downtowns to Maine's economy and social fabric, the Maine Downtown Center (MDC) was established by the Legislature in 2000 to serve as the state-wide resource for downtown revitalization. MDC is dedicated to fostering downtown development that is dynamic and community-based, and results in economic development, business growth, job creation, housing revitalization, historic

preservation, and cultural enhancement. MDC has been housed since its inception at the Maine Development Foundation, a non-profit organization dedicated to sustainable, long-term economic development in Maine. However, the Center is statutorily a joint effort of the State Planning Office, the Department of Economic and Community Development, and the Maine Development Foundation, and all three entities have cooperated well in support of the Center. Many other groups, including state agencies, have contributed time and money as well. MDF, however, deserves the greater credit for taking on the bulk of the work.

Utilizing the National Historic Trust's Main Street model for revitalization, the Maine Downtown Center (MDC) has provided extensive technical assistance to six communities across the state. In 2000, four communities (Saco, Bath, Gardiner, and Waterville) became the first recognized Main Street Maine programs. For three years, each community received technical assistance worth $30,000 from MDC. Staff from MDC and hired consultants provided each community with tailored assistance following the Main Street model. In 2002, Eastport and Norway were added as new Main Street Maine communities. In addition to the six Main Street Maine communities, MDC has provided resources and/or services to approximately 20 additional communities across the state.

In its first four years, Maine's Main Street program has resulted in over $11 million in new downtown investments, the creation of 45 new businesses, and 120 net new jobs[5]. Over 31,000 volunteer hours have been expended in support of Main Street Maine activities. Our six communities are making important, tangible, and welcome changes to their downtowns, as follows:

[5] As reported by Main Street Maine Communities, September 2002-June 2004.

Gardiner Main Street

Gardiner is located in central Maine and has a population of 6,198 (2000 U.S. Census). It has long been an economic center for the state, and its location on the Kennebec River provided many commerce opportunities, from wharves and mills to tanneries, lumber yards, paper mills, and ice production.

As mill production waned and businesses closed, Gardiner changed from a factory community to a bedroom community. Gardiner is within reasonable commuting distance of major employment centers (Augusta, Bath, Portland), yet far enough away that it is a service center for the surrounding area. Over 30,000 vehicles pass through downtown Gardiner on any given day.

In 2001 Gardiner was named as a Main Street Maine community, and the results have been impressive. Once vacant buildings are now almost completely full at the first floor level, and much needed investments are being made to major downtown properties such as the historic Johnson Hall theater. The Maine Central Rail line runs along the waterfront and will play a significant role in the City's ongoing downtown redevelopment efforts. Additionally, there are 47 architecturally significant buildings in the Gardiner Historic District, which lies along both sides of Water Street.

Downtown Gardiner recently welcomed two upscale new businesses: A1 Diner, a Gardiner establishment, opened a new community market in the Mason & Church building at the gateway of Downtown Gardiner, which had been neglected for years. Called the A1 Go Market – Community Market & Cafe, this business has become a community-meeting place and source of pride. Right next door a high-end women's clothing store – Moda Bella – was opened by an entrepreneur from Massachusetts. These two new businesses created four new jobs and excitement in Downtown Gardiner.

Gardiner Statistics (2002-Present)	
2004 FY Budget	$48,000
Total Net Jobs Created	29
Total Net New Businesses	17
Total Volunteer Hours	1,579
Total Downtown Investment	$2,575,000

Saco Spirit

With miles of sandy beach on the Atlantic Ocean and the presence of the Saco River, the City of Saco is blessed with a beautiful location. It has good access to transportation with Interstate 95 and Route 1 through the City. The City's population of 16,822 has been growing commensurate with that of York County for 30 years, and is considered one of the fastest growing areas in the state.

Downtown Saco is most noted for its beautiful Main Street. Its Nineteenth Century architecture and tree-lined nature are the locus of great community pride. Other assets include the potential for great growth if a Historic Preservation Ordinance results in the renovation of mill space on Saco Island, Amtrak passenger train service and the protection of downtown's character.

Recently, Saco Spirit has engaged local merchants located on a poorly engineered section of the Downtown district, Pepperell Square, in redesigning the property to be more pedestrian, automobile and business friendly. Working with markers, sheet paper and scaled models of cars, bushes and benches, the group engineered a new design for Pepperell Square. They were awarded engineering funds from the City of Saco to begin accomplishing their vision. Saco Spirit also organized a community effort to raise money to rebuild a family owned restaurant – Lilly Moon - that was consumed by fire in the summer of 2003.

Saco Spirit Statistics (2002-Present)	
2004 FY Budget	$96,585
Total Net Jobs Created	80.5
Total Net New Businesses	13
Total Volunteer Hours	9,821
Total Downtown Investment	$3,088,700

Waterville Main Street

Waterville was primarily an industrial center for much of its history. Over the past few decades, its economic base has diversified, and the City now serves as the retail, service and cultural core for its surrounding region, while retaining its most resilient industries. Waterville benefits from its central location in the State, and as a transportation hub with Interstate 95, LaFleur Airport and Springfield Intermodal Rail Facility. Colby College, Thomas College and the nearby Kennebec Valley Technical College provide quality, post-secondary educational opportunities. The Harold and Bibby Alfond Center, completed two years ago, and the recent complete upgrade of the City's municipal pool reflect the City's commitment to community recreational facilities. With a population of 15,605, it is one of the state's larger communities.

Downtown Waterville is both unique and remarkable with its combination of an attractive historic main street, a small modern mall and landscaped parking area, and an expansive waterfront along the Kennebec River. The layout of downtown is an asset, and it is human scale with comfortable three and four-story buildings, short, walkable blocks and stores close to each other.

Currently, Waterville Main Street is investigating how to make their Downtown district into an arts and cultural destination and a place where those plugged into the new economy feel welcome and productive. Working with a local Internet company, the Waterville Main Street program is installing wireless Internet ports throughout the Downtown. They also developed a Community Arts Initiative to promote the arts as a key component of Downtown's economy. A new art gallery opened Downtown and the program worked with local school children to create murals to enliven vacant storefronts, a project made possible by a small grant from the Maine Downtown Center. Recently, a key Downtown merchant expanded his Maine products gift shop to include a 10,000 square foot furniture store across the street, Adams & Worth, which now employs three people.

Waterville Main Street Statistics (2002-Present)

2004 FY Budget	$129,000
Total Net Jobs Created	21
Total Net New Businesses	9
Total Volunteer Hours	3,074
Total Downtown Investment	$206,759

Main Street Bath

Bath provides a picturesque downtown, which is bordered to the east by the Kennebec River, twelve miles from the ocean and located on mid-coast Route 1. Its ambiance is Nineteenth Century with brick sidewalks and simulated gas street lamps reflecting its rich maritime and naval history. The vibrant downtown has a wide range of retail businesses housed in buildings which reflect the history of the City. It is also home to Bath Iron Works, the state's largest employer.

With a population of 9,266, community spirit in Bath is enormously high, including the support of area residents for the July 4th Heritage Days, launchings at Bath Iron Works and for other special events, such as the dedication of the new Sagadahoc Bridge across the Kennebec River in August 2000. Not only are virtually all of Bath's downtown storefronts full, but so are second and third floor spaces. The immediately surrounding residential area, which was becoming commercial, is returning to its original residential character. These are sound measures of Bath's success. Bath is uniquely positioned to serve as a center not only for its year-round residents, but also for the summer residents and tourist trade from nearby coastal areas. Bath has also been listed as number seventeen on the list of the top 100 small cities in which to live.

In summer 2002, Bath welcomed the relocation of a local supermarket – Bracket's Market – to the Downtown district. The new market employs over 20 people and serves as an important anchor for the Downtown district. At the encouragement of the local Main Street Maine organization, several businesses in Downtown Bath recently decided to stay open later once a week to attract people to shop in the district after work hours. Bath Main Street is also involved with assisting the City of Bath to develop a better system of way finding and signage to direct people to the Downtown district. Using Main Street volunteers and enthusiasm, the City has been able to update gateway signage and install public art developed by local school children at key intersections.

Main Street Bath Statistics (2002-Present)

2004 FY Budget	$103,600
Total Net Jobs Created	32
Total Net New Businesses	6
Total Volunteer Hours	11,347
Total Downtown Investment	$2,823,500

Norway Downtown Revitalization

Located in western Maine, Norway historically served as a trading center for the surrounding area. Prosperous sawmills, textile mills, tanneries, saddle manufacturers and shoe factories were key industries located downtown, which accommodated major retail and wealthy residential neighborhoods. In 1894 a fire destroyed most of the eastern end of Maine Street, and the great reconstruction that followed is a defining period in Norway's history. Most of the rebuilt structures stand today. According to the Maine Historic Preservation Commission, downtown Norway displays some of the best examples of period architecture to be found anywhere in Maine. Seventy-two of these remarkable buildings are listed on the National Historic Register of Historic Places and compose Norway's Historic District.

From the 1950's to the present day, Norway's traditional economy declined severely. All but one of the commercial dairy farms went out of business, and many of the historic factories and downtown stores moved away or closed altogether. The jobless rate remained near 10% for most of that period until only recently.

With a population of 4,611 Norway is one of the smallest towns in the Main Street Maine program. In fall 2003, Norway Downtown Revitalization announced a small grant program designed to promote private investment in Downtown buildings. This program was made possible by a grant from the Maine Downtown Center. The grant will provide matching funds to between 4 and 8 businesses to paint façades, which will improve the aesthetic appeal of Downtown. Recently, Norway Downtown Revitalization, The Growth Council of Oxford Hills and the Town of Norway began a community-initiated development process for the recently vacant C.B. Cummings Mill, a major property in the Downtown district that was a functioning dowel mill until 2002.

Norway Downtown Revitalization Statistics (2002-Present)

2004 FY Budget	$95,950
Total Net Jobs Created	16
Total Net New Businesses	6
Total Volunteer Hours	1300
Total Downtown Investment	$1,653,400

Eastport for Pride

Downtown Eastport is blessed and challenged by its location at the eastern edge of the United States. With a small population of 1,640, the once-thriving port was home to 18 fish canneries and a strong shipbuilding industry. The demise of these industries has left downtown Eastport struggling to redefine itself. Its coastal beauty attracts artists from around the world, and has served as a backdrop for a number of movie and television productions.

Recently, Eastport for Pride took advantage of its maritime attractions and worked with neighboring Lubec to create a joint summer promotion that connected Downtown Eastport with the Summer Keyes festival in Lubec via a ferry on a rehabilitated lobster boat. Restaurants in Downtown Eastport reported record numbers of customers on the evenings that the ferry was in operation. With funding secured by the Maine Downtown Center from USDA Rural Development, Eastport for Pride is developing a community identity and marketing plans to attract new residents and businesses to the community. This winter, Eastport for Pride will offer arts and crafts classes in the Downtown buildings as a means of encouraging local businesses to stay open in the off-season. The classes will also provide an opportunity for merchants to sell merchandize to students.

Eastport for Pride Statistics (2002-Present)

2004 FY Budget	$62,000
Total Net Jobs Created	16.5
Total Net New Businesses	1
Total Volunteer Hours	8,580
Total Downtown Investment	$1,273,433

Maine Downtown Revitalization Model

Over the past few years, we have begun to build a model for downtown revitalization in Maine. MDC has worked with the 6 designated Main Street Maine communities in addition to another 20 communities across the state that are beginning revitalization programs and are interested in following the Main Street approach. Through this experience, we have identified several best practices for communities to follow when starting a downtown revitalization program:

- Follow the National Main Street model approach. While each community has unique issues, the Main Street model is comprehensive but allows some flexibility for communities to prioritize their most pressing issues.
- Cast a wide net for volunteers and include representation from all stakeholder groups (such as downtown merchants, property owners, residents, town government representatives, faith-based institutions, schools, etc).
- Understand this is an incremental process; downtown revitalization is not a "quick fix" and you can't fix everything at once.
- Strive for high-impact, low cost, early "wins" in order to build and promote your downtown revitalization program. Examples include a visitor kiosk (Norway); seasonal festivals (Saco Spirit's Pumpkin Festival); a summer downtown clean up program that involves local merchants and students; a banner program downtown, a small grant program for painting facades (Norway); placing public art done by school children or residents in vacant storefronts (Waterville); a flower planting program; and promotional programs that build community pride such as "I love Downtown Bath" pins.
- Hire a full-time downtown manager with lots of enthusiasm for downtown revitalization. Our experience has shown that part-time managers, even in relatively small communities (less than 5,000), find it extremely difficult if not impossible to provide the necessary staff support for a quality downtown revitalization program.
- Utilize assistance from existing resources such as the Maine Downtown Center, Regional Councils of Government, local Growth Councils, local Chamber of

Commerce, Maine State Planning Office, Maine Department of Economic and Community Development, Maine Historic Preservation Commission, and Maine Preservation.

- Learn from other communities' successes and mistakes. Visit existing Main Street communities, meet with their board members and walk their downtowns.
- Main Street Maine boards require active participation of their members, including fundraising and other "on the ground" activities. Recruit board members who are willing to work.
- Communicate with your community. Organizational newsletters; columns and stories in the local/regional newspapers; web sites; posters; email lists; presentations at Kiwanis and Rotary clubs, historical societies, and local business organizations like the Chamber of Commerce and SCORE; and presentations at select board and annual town meetings are all good ways of getting your message out and recruiting volunteers.
- Embrace conflict. Not all people agree all of the time. Invite the critics and naysayers into the process, but don't let them derail your efforts.
- Collaborate with your local Chamber and/or Business Association. Coordinate fundraising efforts such that businesses are not solicited for each organization at the same time.

3. Effect of State and Local Policies

In order to research the effects of state and local policies on downtown revitalization efforts, the Maine Downtown Center contacted a number of stakeholders around the state. The Maine Downtown Center requested feedback from over 600 people through the Center's "interested parties" email group. The Center also held two regional forums in Bangor and Portland during August to solicit input. Feedback came from a range of individuals including state agency and local municipal employees, real estate developers, downtown building owners and merchants, architects and planners, and community volunteers. Appendix A of this report is an issue matrix outlining all of the issues that were raised. In the interest of time and impact, we will focus on those issues deemed most important.

In the course of investigating the effects of state and local policies, it quickly became clear that few issues were solely "state" or "local", and that many issues are closely tied to federal regulations and policies. Rather than group issues according to levels of government, we have classified issues based on regulatory, non-regulatory/policy, and capacity. In each area, we identified key issues and made recommendations based on the input we received from the public as well as the experiences of the communities MDC has worked with over the past four years.

Recommendation #1: Link Downtown Revitalization to Other Economic Development Initiatives

Downtown revitalization should be a signature piece of the state's economic development program as it affects many cross-cutting issues identified in Governor Baldacci's Economic Development Strategy for Maine. Governor Baldacci recognized this downtown revitalization and economic development connection in his Executive Order commissioning this study. The Main Street Maine program can serve as a practical model for many of Governor Baldacci's key initiatives, including the Creative Economy and the Realize! Maine Youth Migration Initiative. Our downtowns are

perfectly suited to attract creative entrepreneurs, including young professionals looking to start new businesses and raise families. Main Street Maine communities support the tourism industry as destination spots, and support a range of businesses, from micro-enterprises and family businesses to large manufacturers. The Main Street approach can also serve as a compliment to the state's Pine Tree Zone initiative, as several Pine Tree Zones are located in downtown areas. Finally, the Main Street model addresses a multitude of issues and cost savings associated with sprawl, and puts into practice many of the smart growth policies that have been adopted at the state and local level.

Specifically, downtown revitalization can help the state's economic development objectives through:

- Entrepreneurship and Small Business Support: vibrant downtowns attract and retain entrepreneurs. Our old downtown factories and mills are perfect opportunities to create business incubators, and
- Pine Tree Zones: Many of our downtowns have Pine Tree Zone areas designated within or near downtown boundaries. A comprehensive downtown revitalization strategy will only help to attract businesses to these Zones, but we should be careful to ensure that the location of the zones does not compete with downtowns.
- Creative Economy: Research done for Governor Baldacci's Blaine House Conference on Maine's Creative Economy states that, in Maine, "[t]he arts and culture industries have been particularly strong in employment growth at a time when major parts of the technology industries have seen significant employment declines."[6] The research notes that Maine's arts and culture industries are "concentrated in the urban areas."[7]
- Youth: Rebecca Ryan of Next Generation Consulting, who has spoken at the National Main Street's Annual Town Meetings, has found that young professionals are more likely to choose a place to live based on its unique quality of life and then find work, as opposed to previous generations that moved where the jobs were. They identify more with the communities they live

[6] "Proceedings from the Blaine House Conference on Maine's Creative Economy," Maine Arts Commission, August 2004, p.33.
[7] Ibid.

in, rather than their jobs.[8] Themes from Governor Baldacci's Summit on Youth Migration, Realize! Maine, bear this out. The largest number of breakout group participants attended the Involvement in Community Life session.[9] More importantly young, college educated professionals are more likely to start businesses than any other age group. Again, the Realize! Maine proceedings underscore this, "Increased business development/attraction and encouragement of entrepreneurship were the resounding themes…"[10] If Maine is serious about addressing its brain drain issue, then downtown revitalization must be part of the solution.

- Tourism: historic buildings, retail, entertainment, restaurants, and community events all draw tourists. Examples of this include Waterville's International Film Festival, Bangor's hosting of the National Folk Festival, Norway's Downtown Summer Arts Festival, the Lewiston-Auburn Great Falls Balloon Festival, and Bath's Heritage Days. These events, all of which take place in downtown areas, bring thousands of people and millions of dollars into Maine's economy.

Recommendations: The state, through DECD and other state agency partners, should further promote and fund downtown revitalization as a key part of its economic development initiatives. Existing resources, such as websites and marketing publications, should include designated Main Street Maine downtowns as both investment opportunities and tourist attractions. Maine and Company should list Main Street Maine communities and promote these communities when dealing with out of state companies – especially those downtowns with designated Pine Tree Zones. Downtown revitalization should be included in any funding investments as part of the creative economy and youth initiatives.

Recommendation #2: State Building Rehabilitation Code

The most frequently cited, and the most vociferously argued, barrier to downtown redevelopment is the lack of a state building rehabilitation code. In 2001,

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[8] Ryan, Rebecca. "Talent Capitals: The Emerging Battleground in the War for Talent", May 21 2002; available at http://www.hotjobs-coolcommunities.com.

[9] "Realize! Maine Record of Proceedings", Realize! Maine Planning Committee, July 2004, p.7.

[10] Ibid, p.8

Governor Angus King instructed the State Planning Office and the Maine Building Rehabilitation Code Advisory Council, a Governor-appointed task force, to examine the issues surrounding the adoption of a statewide building rehabilitation code. This group found that existing downtown buildings are generally underutilized, that when new construction is cheaper than renovation developers will often opt for new construction, and that the result of such new development is sprawl[11]. The group also found a need for uniformity, as codes can vary substantially from municipality to municipality, which complicates project development for building owners, developers, architects, and building trades. Ultimately, the group found that without a model state building code in place to work from, a state building rehabilitation code could not be pursued[12].

In 2003 the 121st Legislature approved a model state building code in LD 1025, which includes the 2003 version of the International Residential Code (IRC) and the International Building Code (IBC). Municipalities that had existing building codes prior to 2003 can keep utilizing their adopted code. Municipalities do not have to adopt a building code, but if they do they must adopt the state model[13]. The goal is that over time, there will be a consistent building code across the state.

Now that the state has adopted a model building code, the time has come to address the rehabilitation code issue. Without a rehab code, any rehab or renovation project is required to meet new construction standards, which is not a reasonable requirement, provided life safety concerns can be adequately addressed another way. Not only does it make the costs of building rehabs prohibitive, it often means sacrificing historically and/or culturally significant aspects of downtown buildings in order to meet new construction code standards. One of the most important aspects of downtown revitalization is upper-floor housing, and without a rehab code this becomes extremely expensive to achieve. The IBC/IRC codes do have a rehabilitation sub code, which was not adopted as part of the state model code.

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[11] "Report on the Development of a Maine Building Rehabilitation Code", Maine State Planning Office, February 2002.
[12] Ibid.
[13] Maine State Planning Office, "Frequently Asked Questions, Maine Model Building Code", available at http://www.state.me.us/spo/ceo/training/maineBUILDINGcode6.17.php

Recommendation: The Community Preservation Advisory Committee (CPAC) and the Building Code Advisory Group should continue their work, with input from the Maine Downtown Center and other stakeholders, to propose a model state building rehabilitation code. The Code should be similar to that adopted in New Jersey and Maryland, with reasonable and feasible requirements for existing building rehabilitation projects and should integrate seamlessly with the two model codes adopted by the state last year.

Recommendation #3: State Fire Code

Further complicating downtown revitalization efforts is the code utilized by the State Fire Marshall's office, which is required by statute to approve all public building projects in the state. The fire safety code currently in place, the Life Safety Code, supersedes the model state building codes as well as any locally adopted building rehab codes. The Life Safety Code does not distinguish between existing and new construction; all buildings are required to meet the same standards. There are limited provisions for grandfathering buildings and historic preservation requirements.

There is a need to balance safety concerns with making building rehab projects realistic, feasible, and relatively affordable, while still retaining historic and cultural features. Both New Jersey and Maryland have adopted "smart codes", which recognize that "…while older buildings must be safe and accessible, just as new buildings are, they can be evaluated and regulated differently".[14] In order to make downtown building renovations happen, it is critical that we adopt reasonable and feasible standards for building developers. The Community Preservation Advisory Committee (CPAC), established by the 120th Legislature to advise the Governor, the Legislature, and state agencies and entities on matters relating to community preservation, was instrumental in the adoption of a model state building code, and is interested in investigating a model state rehab code. It seems logical to also look at the state fire code in this context as well.

Recommendation: This issue needs to be addressed alongside the development of a statewide model building rehabilitation code. CPAC should work with the State Fire Marshal's office and the Maine Downtown Center to adopt fire code regulations that

[14] "Smart Codes: Smart Growth Tools for Main Street", National Trust for Historic Preservation, 2002.

are reasonable and feasible for existing building rehabilitation projects. Maryland and New Jersey codes should serve as a model, although a different, standardized code should be considered.

Recommendation #4: Federal ADA Requirements

Requirements to meet the Americans with Disability Act standards are another critical barrier to downtown revitalization efforts. While ADA is landmark legislation worthy of support, the unintended consequences of the legislation are that rehabbing downtown buildings becomes extraordinarily expensive, and sometimes can put accessibility directly in conflict with historically significant building features. For example, many older buildings have narrow corridors and hallways that would require demolition to meet ADA hallway width requirements. We recognize this is a federal issue, and there are limitations as to what Maine can do to mitigate issues associated with ADA compliance.

The biggest complaint MDC hears is the costs associated with ADA compliance and the need for grants that can go directly to building owners for this purpose. Currently, there are limited funds available to assist with ADA compliance in Maine. The MPpower program, also known as the Kim Wallace Adaptive Equipment loan program, is housed at the Finance Authority of Maine (FAME) and provides low-interest loans to individuals and businesses of up to $100,000 to finance adaptive equipment and renovations. The program has been funded through two bond initiatives, once in 1988 and once in 2000, and is a revolving loan pool of about $8 million. The program makes 140-150 loans each year, with an average loan amount of $12,000. While this program can be very beneficial to business owners making small changes, such as adding a ramp or bathroom fixtures, large-scale compliance can cost hundreds of thousands of dollars.[15] In large redevelopment projects, Mpower usually provides partial funding, with private banks providing additional loans. The problem is, building owners and developers can be reticent about taking on additional debt for

[15] Phone interview with Sherry Tompkins at FAME, September 7 2004; additional information from the Mpower website at http://www.mpowerloans.org.

ADA compliance issues because there is little or no return on their investment. Loans are a good option, but we also need to explore grant opportunities.

Limited grant funds are available through the Community Development Block Grant (CDBG program), which can only go to municipalities. Funding is available to assist non-municipal owned projects, but it is very limited, can provide only 50% of the total project cost, and job creation requirements apply.

Recommendation: The Maine Downtown Center should further research issues associated with ADA compliance and potential sources of funding. Additional funding for the MPower program is also encouraged.

Recommendation#5: Local Zoning Ordinances

Local zoning ordinances can either help or hinder downtown revitalization efforts. Proposing zoning in communities that currently lack it can create incredible division among town residents, but often the lack of zoning can cause just as many problems. It is important that communities with downtowns consider their plans for revitalization when developing ordinances, where something as simple as parking space requirements for apartment buildings can discourage the development of upper floor housing in downtowns.

Many communities either have or are working to develop comprehensive plans that are consistent with state investment policy. If deemed consistent by the State Planning Office, communities can receive extra points during the scoring process for certain state grant programs. While the current state investment guidelines are a good start for communities and incorporate many smart-growth principles, there is no good model zoning plan for downtown revitalization efforts in the state.

Recommendation: The Maine Downtown Center should work with SPO, GrowSmart Maine, and others to develop a model zoning ordinance for communities interested in encouraging downtown revitalization efforts.

Recommendation #6: DEP Stormwater Regulations

In 2003 the Maine Department of Environmental Protection proposed new stormwater regulations. Water quality is important to downtown revitalization efforts, and we recognize that higher density development and industry can put strain on water systems. Exacerbating the issue is that most downtowns in Maine have floodplains; or, in the case of Gardiner, are completely located within a floodplain. However, the forthcoming stormwater regulations could contain requirements which would make redevelopment of downtown sites or infill development projects extremely expensive, which could push development into greenfields, abandoning our well established and heavily invested downtowns.

Recommendation: The Maine Downtown Center and SPO should continue to work with DEP to ensure that stormwater rules respect stream protection but do not result in expenses prohibitive to development, or re-development of Maine's beloved downtowns.

Recommendation #7: School Siting Policies

The state has made strides to keep schools in downtown areas and promote renovation rather than new construction, but there is a need to strengthen this commitment. Both the Maine Department of Education and the State Board of Education have been involved with this issue, and have worked to make sure that schools are located either in downtown areas or within designated growth areas. However, there is concern that parking requirements, minimum acreage requirements, and code regulations all discourage renovation of existing downtown schools and encourage new construction on new land. Construction of regional schools must be done with an eye toward preserving opportunities for students to walk or bike, to counter rising youth obesity rates, and reduced transportation costs.[16] Currently, this

[16] Mitchell, Stacy, "10 Reasons Why Maine's Homegrown Economy Matters and 50 Proven Ways to Revive It", Maine Businesses for Social Responsibility, draft copy June 2004.

issue is high on the Community Preservation Advisory Committee (CPAC) list of priorities, and CPAC representatives are advocating a stronger school siting policy.

Recommendation: The Community Preservation Advisory Committee, supported by MDC, should continue its work advocating for a stronger school siting policy. Health advocates, such as the Healthy Maine Partnership program, should also be included in the discussion.

Recommendation #8: Implement a state-wide capital improvement inventory and investment program

With the exception of the Maine Department of Transportation's two, six and twenty year plans, there is no inventory or prioritization of infrastructure across the state; nor is there any program in place to prioritize projects. Consequently, most municipal and state capital improvements are done on an ad hoc, emergency basis. This not only increases the cost of projects, but does not guarantee that the best projects receive funding. In June 2004, the Department of Administrative and Financial Services and the State Planning Office solicited 6-year capital plans from every state agency. This began the process of setting priority capital needs for state government.

Recommendation: The State Planning Office should continue the process, working with the Department of Administrative and Financial Services, to create a coordinated capital investment plan that respects and is sensitive to downtowns and local growth areas, particularly in service centers.

Recommendation #9: Maine Department of Transportation Policies & Procedures

We received a number of comments pertaining to the Maine Department of Transportation (MDOT) policies and procedures, ranging from the length of time it takes for projects to be completed to the need for better cooperation between MDOT and local municipalities. Transportation infrastructure is enormously complicated, with funding and prioritization being done simultaneously at the local, state and federal levels. Costs to maintain and rebuild highways and bridges are extremely high, and

there will simply never be enough money to tackle every project. Additionally, safety, environmental, and economic issues that arise can take months, sometimes years, to address before projects can begin, which can be frustrating.

Rather than address overarching MDOT policies and procedures, we focus here on issues specific to downtown revitalization that we feel need to be emphasized.

- Pedestrian Friendly Environments: It is vital that downtowns are walkable and safe, while still supporting vehicle traffic. Some of our downtowns' main streets are federal highway routes with large traffic volumes, and it becomes difficult to balance safety needs with traffic flow. While both issues are important, many downtowns feel that the need for pedestrian walkways, crosswalks, and lights are minimized in favor of promoting traffic flow.
- Transportation Enhancement Grants: While funding for these projects are largely contingent upon federal funding, these grants make an enormous difference for downtowns. We would like to see prioritization of enhancement grants given to downtown revitalization projects occurring in communities that have downtown plans in place, similar to the requirements for CDBG Downtown Revitalization grants.
- Land Use Planning, Urban Design, and Community Revitalization in Transportation Projects: To a large extent, MDOT is already emphasizing land use planning and smart growth approaches to transportation planning here in Maine. We would like to see that emphasis include design and revitalization as well. The Gateway 1 project for the mid-coast section of Route 1 is an excellent example of this, and we hope the program can be expanded to other areas of the state. It is also important for communities undertaking downtown revitalization projects to make sure that representatives, including any consultants hired to develop downtown plans, should contact MDOT early in the process.

Recommendation #10: Capacity Funding

There is a need for increased state funding support for downtown revitalization efforts, historic preservation, public infrastructure, and other economic/community

development projects in the state. While we appear to have the mechanisms in place, programs simply have not been adequately funded to achieve the necessary results.

- Municipal Investment Trust Fund (MITF): this program was created in 1993 as an important tool to help communities plan and create sound infrastructure development. It has been capitalized by three separate bond issues: one for $300,000 in November of 2001, a second for $4,000,000 in June of 2002, and a third for $6,000,000 in June of 2003. The program is administered by the Department of Community and Economic Development (DECD), with no additional funding or staff support. The program has been extremely well received, and communities across the state have been able to undertake significant public infrastructure projects with these funds, many of which are located in downtown areas. Future capitalization of the MITF program is would be a benefit for Maine's downtowns.

  Community Development Block Grants (CDBG): Administered by the DECD, this program provides municipalities with funding for public infrastructure, public facilities, public services, housing, planning, downtown revitalization, community enterprise and economic development activities. The DECD has been extremely supportive of downtown revitalization, and as part of its investment policies, created the Downtown Revitalization (DTR) and Community Enterprise (CE) programs. The DTR and CE programs are specifically targeted to enhancing downtowns. Under the DTR program the eligible activities include all activities allowed within the public facility, public infrastructure, public service, housing assistance, community enterprise and economic development programs relevant to the revitalization of a downtown district. This allows a variety of methods to meet program benefit such as: historic preservation, handicapped accessibility, eliminating slum and blighting influences, job creation/retention and activities specific for low and moderate income persons through housing and public service activities.

  Planning Grants through the State Planning Office: SPO has had limited funds available to communities for planning. A regular pool of approximately $150,000 for planning is expected to continue to be available for comprehensive

planning and implementation strategies, some of which includes downtown projects. SPO has also provided a number of pilot grant programs over the past 5 years, many of which allowed for downtown projects. For example, SPO gave Gardiner a $50,000 grant to plan for the efficient utilization of the second floor space on Main Street. These pilot programs change from year to year and, given recent budget cuts, have been significantly reduced. However, if funds again become available, these programs are likely to increase.

- State Historic Preservation Office (SHPO): At this time, funding for projects is limited to available state and federal historic tax credits.

Recommendations: The state should permanently fund the MITF program.

4. Organizational Improvements Focusing Local and State Support

In 2003, MDC's Advisory Board embarked on a process of determining the best place to house MDC. The Advisory Board explored housing MDC at either the Department of Economic and Community Development or the State Planning Office, which has been a strong supporter of MDC as part of the agency's smart growth agenda. The Advisory Board also had discussions with the Muskie School at USM, which was very interested in housing the program. Other options were housing MDC at another related nonprofit, such as Maine Preservation, or incorporating MDC as a separate, independent 501(c)(3) nonprofit. Ultimately, none of these options were deemed feasible because of lack of resources, and the Advisory Board recommended that MDC stay housed at the Maine Development Foundation because it can receive funding from a number of different places, including the private sector. At this time, there is strong support at the Maine Development Foundation to continue housing the Maine Downtown Center; however, this does not and should not mean there is no need for continued state support of the program.

According to the April 2004 Main Street Coordinating Program Survey conducted by the National Historic Trust (see Appendix B), Maine ranks next-to-last in total budget source ($80,000). Only Delaware has a smaller budget of $75,000 which,

in 2003, came from the state's general revenue fund and a grant from USDA. Funding ranges from $75,000 in Delaware up to $5,000,000 in Pennsylvania. Average funding for state programs, not including the District of Columbia or the Boston, MA, program, is $450,989, with a median of $250,000. Looking at the seven states with population less than 2,000,000 (New Mexico, West Virginia, Nebraska, Maine, New Hampshire, Delaware and Vermont) with Main Street programs, the average program budget is $213,689.

MDC's funding history includes funds from the state, private foundations, businesses, and individuals. The program's first round of Main Street Maine communities was funded through $100,000 from a state appropriation which was matched by the Betterment Fund. Another $100,000 appropriation from the State Planning Office's smart growth pool of funds was given to support the second round of communities. MDC also receives about $50,000 each year through a contract with the State Planning Office for operating expenses. The funds for this contract are solicited by staff from the State Planning Office. Contributors include the Governor's Office, SPO, DECD, FAME, DEP, MHPC, and MDOT. Additional funds are raised through private contributions, mostly through corporate sponsorships of the annual Downtown Meeting held each fall. These funds do not cover the entire program operating costs; MDF currently subsidizes staff salaries and benefits. In order to completely cover yearly program costs, the Center would need to raise about $150,000/year, with additional funds to support program work associated with naming new Main Street Maine communities.

To address the funding issue, the MDC Advisory Board formed a Development Committee in 2004 to raise funds for the program. Additionally, fee-for-service programs were started as a way for the Center to generate revenue. DECD will, in some cases, allow CDBG planning grants to be utilized by municipalities to pay for MDC to conduct an assessment. MDC has received grants from the Maine Community Foundation, the Betterment Fund, and USDA-Rural Development's Rural Business Enterprise Grants program. Beginning in 2005, the first four communities (Waterville, Gardiner, Saco and Bath) will be charged $750/year to remain affiliated with the Main

Street Maine program and partake in educational opportunities offered by the Maine Downtown Center.

However, even with these additional sources of revenue, MDC has been unable to raise enough funds to name new Main Street Maine communities or provide comprehensive, ongoing assistance to those communities already designated as Main Street Maine communities. The National Main Street program has indicated that the Center is currently providing the minimal resources necessary to host a Main Street program, and has expressed some concern that our communities are not fully implementing the program due to lack of resources at the state level.

The Center estimates approximately 70 communities across the state could benefit from a downtown revitalization program, and there are other communities that might benefit from a village revitalization program. The State is at a fairly critical juncture here; in order to maintain the good momentum and continued success of the program, the Center needs to fund another round of 3-5 designated communities. The Center is currently in discussions with the DECD staff to explore potential methods of utilizing CDBG funding in corporation with the MDC to support continuation of community participation. This could potentially be a great way for the state to continue support of the MDC and downtown revitalization utilizing the expertise and resources of both the MDC and the DECD. The potential difficulty remains in how to fund the administration of the MDC. Possible methods would be through state appropriation, private fundraising, a fee-for-service or some combination of these.

Recommendation: Encourage a state bond package and additional general fund allocations that would fund downtown revitalization projects including:

- *Maine Downtown Center*
- *MITF program*
- *Planning grants through SPO*
- *Historic preservation grants through SHPO*

Appendix A

Concerns identified at the Portland and Bangor Public Forums in August 2004

	State	Local	Federal	Private/NonProfit
Regulatory				
Zoning (incl. Shoreland)	x	x		
Local fiscal policy		x		
Rehab code	x			
Stormwater	x		x	
Floodplains	x	x	x	
ADA			x	
State Fire Codes	x	x	x	
DEP Parking Regs	x			
Smart Growth laws	x	x		
MDOT	x	x	x	
Nonregulatory/Policy				
MDOT funding priorities	x			
School Locations	x			
Housing downtown	x			
Fund Main Street Program	x			x
Fund Historic Preservation	x			x
Promote pedestrian-friendly DT's	x	x		
Anti-Sprawl policies	x	x	x	
Arts/Creative Economy	x			x
Link to Tourism, BD efforts	x			x
Marketing of downtowns	x	x		x
Need for more public transportation	x	x	x	
Info/services for new business owners	x	x		
Parking issues	x	x		
Keep state facilities downtown	x			
Better signage/wayfinding	x	x		
Affordability vs. gentrification	x	x		x
Capacity/Funding				
Leadership				x
Training for municipal officials		x		
Historic Tax Credits	x		x	
CDBG Grants	x		x	
MITF Funds	x			
MDOT Funds	x			x
MSHA (Housing TIF)	x			
TIFs		x		
FAME loan funds	x			
Bonds	x			
Loan Funds (public/private)	x		x	x
Microenterprise/small bus TA	x		x	x
Special funds/investment pools	x			
Tax abatements	x	x		
More Planning Grants	x			
Property tax incentives for building improvements	x	x		

Appendix B
Main Street Program Budgets

State	2004 Program Budget	Population (2000 Census)	Source	Organizational Info
Pennsylvania	$5,000,000	12,281,054	State General Fund	PA Department of Community and Economic Development
Georgia	$812,000	8,186,453	State Dep't of Community Affairs	Georgia Department of Community Affairs
Kentucky	$750,000	4,041,769	Renaissance KY Alliance/SHPO	Kentucky State Historic Preservation Office
Arkansas	$668,000	2,673,400	Real estate and conservation taxes	Arkansas Office of Historic Preservation
Texas	$600,000	20,851,820	State General Revenue and appropriated receipts	Texas Historical Commission
Iowa	$560,000	2,926,324	State General Fund	Iowa Department of Economic Development
Mississippi	$539,796	2,844,658	MS Development Authority, Division of Tourism,TVA, CREATE	Nonprofit 501(c)(3) affiliated with Development Authority
New Hampshire	$523,000	1,235,786	Community Dev Finance Authority, tax credit program, utilities, banks	NH Community Development Finance Authority
Oklahoma	$497,000	3,450,654	State	OK Department of Commerce
Wisconsin	$422,500	5,363,675	State General Fund and CDBG	WI Department of Commerce
Ohio	$400,000	11,353,140	Various including fee for service, OSU Extension, CDBG	Nonprofit 501(c)(3)
South Carolina	$400,000	4,012,012	State Funds, grants, earned income, fees	Municipal Association of South Carolina
Connecticut	$350,000	3,405,565	State Dep't of Ec/Com Dev, Utility	Nonprofit 501(c)(3)
Kansas	$300,000	2,688,418	State lottery funds designated for ec dev	Kansas Department of Commerce
West Virginia	$287,826	1,808,344	State General Fund, Appalachian Regional Commission	West Virginia Development Office
Michigan	$280,000	9,938,444	State General Fund, Sponsorships	Oakland County Planning & Econ Dev
North Carolina	$265,000	8,049,313	State Funds and Private Foundation	NC Department of Commerce
Illinois	$250,000	12,419,293	State General Revenue	Office of the Lieutenant Governor
New Jersey	$250,000	8,414,350	NJ Dept of Community Affairs	NJ Department of Community Affairs
Virginia	$250,000	7,078,515	State General Fund	Virginia Dept of Housing & Community Development
Nebraska	$245,000	1,711,263	Dep't of Economic Dev, Private Foundation	Nonprofit 501(c)(3)
Louisiana	$225,000	4,468,976	State General Fund	Louisiana Division of Historic Preservation
Utah	$225,000	2,233,169	State General Fund	Utah Dep't of Community and Economic Dev
Colorado	$220,000	4,301,261	CO Community Revit Association/State Partners	Nonprofit 501(c)(3)
Florida	$189,500	15,982,378	State General Revenue, Historic Pres Grants	Florida Bureau of Historic Preservation
Maryland	$175,000	5,296,486	State General Funds, SHPO	Maryland Department of Housing and Community Development
Indiana	$170,000	6,080,485	State Legislature	Indiana Department of Commerce
Vermont	$170,000	608,827	State General Fund and SHPO	Vermont Dept of Housing & Community Affairs
Washington	$155,000	5,894,121	State General Fund, conferences, workshops	WA Dept of Community, Trade & Econ Dev
Arizona	$130,000	5,130,632	Legislature (Lottery Proceeds)	Arizona Department of Commerce
Alabama	$120,000	4,447,100	State General Fund	Alabama Historical Commission (state agency)
New Mexico	$115,000	1,819,046	State General Fund	NM Economic Development Program
Tennessee	$85,000	5,689,283	State General Fund	TN Department of Econ and Community Development
Maine	$80,000	1,274,923	State agencies, private partners, foundations, sponsorships, fees	Nonprofit 501(c)(3)
Delaware	$75,000	783,600	State General Fund, USDA grant	Delaware Economic Development Office
Average	$450,989			
Median	$250,000			

OFFICE OF
THE GOVERNOR

NO. 16 FY 04/05
DATE May 26, 2004

AN ORDER TO STRENGTHEN AND RESTORE THE VITALITY OF MAINE'S DOWNTOWNS

WHEREAS, the state's economic health and prosperity is inextricably tied to the vitality of our downtowns that serve the local and regional needs of our citizens and businesses;

WHEREAS, the historic role of our downtowns as focal points of commerce and cultural affairs has changed with our sprawling patterns of development and outward migration to our rural areas;

WHEREAS, our vision for a high quality of life in Maine requires that we have strong service center communities;

WHEREAS, the state and our communities need to be investing in housing, culture assets, utility and green infrastructure, and jobs in our downtowns and adjacent residential neighborhoods to provide the suburban sprawl alternative that many of our citizens seek; and

WHEREAS, the Maine Downtown Center is charged by statute to advocate for downtown revitalization, promote awareness of the importance of vital downtowns, serve as a clearinghouse for information related to downtown development, and provide technical assistance to communities;

WHEREAS, the Maine Downtown Center is effective in fostering a public-private partnership that assists Maine communities raise funds to support downtown revitalization efforts, draws on the expertise of the National Maine Street program and provides technical and financial assistance to reinvigorate Maine's downtowns; and

WHEREAS, the State Planning Office is represented on the Board of Directors of the Maine Downtown Center and has responsibilities that involve the health of downtowns;

NOW, THEREFORE, I, John Elias Baldacci, Governor of the State of Maine, do hereby direct the State Planning Office to work with the Maine Downtown Center to engage stakeholders, including the Community Preservation Advisory Committee, to:

- National Downtown Revitalization Best Practices – Analyze and recommend innovative approaches used by peer states that include, but are not limited to, the National Main Street Center's approach to stimulate downtown revitalization and maintain healthy downtowns;

- Maine Downtown Revitalization Best Practices – Recommend innovative downtown revitalization approaches in Maine that are locally-based, comprehensive and lead to sustainable and vital downtowns and surrounding residential areas;

- Effect of State and Local Policies – Analyze state and local policies and programs that act as barriers to downtown vitality, identify high leverage opportunities, and recommend improvements, including the establishment of an annual Downtown Recognition Day, that will accelerate the renovation and vitality of downtowns; and

- Local and State Support – Recommend organizational improvements that will more effectively focus local and state downtown revitalization resources and priority investment mechanisms that local and state government should pursue.

Timeline for Recommendations

The State Planning Office shall submit its recommendations based on its work with the Maine Downtown Center to the Governor no later than October 1, 2004.

Expenses

The State Planning Office shall conduct these activities using existing resources.

Effective Date

The effective date of this Executive Order is May 26, 2004.

John Elias Baldacci
Governor