People, Place, and Prosperity

1st Report of the Governor’s Council on Maine’s Quality of Place

Prepared by the Governor’s Council on Maine’s Quality of Place

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Governor’s Council on Maine’s Quality of Place

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# Contents

Executive Summary ................................................................................................. 4

Introduction ............................................................................................................. 6

People, Place, and Prosperity in Maine History ................................................. 8

Quality of Place Findings ..................................................................................... 11

Recommendations .................................................................................................... 14
  Regional Landscape Conservation ................................................................. 15
  Community & Downtown Revitalization ....................................................... 18
  Asset-Based Development Strategy ............................................................... 21

Concerns & Next Steps ........................................................................................... 24

Bibliography ............................................................................................................ 26
Executive Summary

We all love Maine. It is why we live here. It is the reason we want to protect our unbroken forests, wild rivers, picturesque downtowns, village greens, and historic houses and grange halls and libraries.

It turns out there is another reason to safeguard all these things. It is Maine’s economy. The things we enjoy are things that people around the country and the world value. As the rest of the country becomes more crowded and homogenous and polluted, what sets Maine apart — what makes Maine distinctive — our Quality of Place — becomes an ever-more important economic asset.

In 2006, The Brookings Institution, a national research organization that has studied the economies of many states, issued a report asserting that Maine’s Quality of Place is an economic asset of increasing value for Maine. Not just an asset, but Maine’s chief economic asset. Our own research confirms this finding.

The reason is that in the new economy, the greatest competition worldwide is for people. People looking for a place to retire, or to visit awhile. People with energy and skills, who can start and sustain businesses in the new innovative sectors that Maine has targeted for future growth – biomedicine, composite materials manufacturing, computer programming, advanced technologies for boat-building, the new “local” agriculture, and the like.

People with skills in these areas can live anywhere. Our research shows they are most interested in living somewhere with a high Quality of Place. This is our most powerful advantage in the global marketplace for people.

Yet, we are careless with this powerful economic asset today. We let our open spaces get fenced off. We let our downtowns and historic buildings deteriorate. We let our scenic landscapes get cluttered. We let our best and most unique asset lose its special quality.

Preserving and enhancing our Quality of Place is a new kind of economic development challenge. We need new economic development tools to respond.
Governor John Baldacci has begun to assemble this new toolkit, leading Maine to invest in community colleges, research and development, natural resource-based industries, the creative economy, and nature-based tourism.

The Governor’s Council on Maine’s Quality of Place proposes to add several major elements, including a bold new “asset-based development strategy.” The goal is to engage people in all corners of Maine, to act together and enhance the economic advantage that is Maine’s foundation for future growth — our Quality of Place.

We make 15 recommendations in three major areas.

The first four address regional landscape conservation. Maine’s Land for Maine’s Future program has had great success and popular support in preserving important landscapes. We propose to continue and expand this program, but at the same time recognize that Maine taxpayers cannot buy everything that is needed. We need to engage private landowners, who are already the caretakers for much of the beauty of Maine, and reward them for conservation and public access.

We wish to acknowledge and reward the creative regional landscape protection efforts now underway and encourage more of them. We need to update Maine’s basic land use laws and state practices, to align them with Quality of Place principles. We must work smarter to protect these assets.

The second set of recommendations addresses the revitalization of our communities, our village centers, our creative economy, and our built environment. We recommend working with developers and communities to preserve and enliven our

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### Recommendations: A New Regional Development Strategy

#### Regional Landscape Conservation

1. Recognize and Support Private Landowners’ Crucial Role in Protecting Maine’s Quality of Place
2. Recognize, Incentivize, and Reward Regional Landscape Conservation
3. Recognize and Act Upon the Historic Changes Faced by LURC
4. Align the State’s Basic Land Use Statutes with Quality of Place

#### Community & Downtown Revitalization

5. Adopt a Strong State Community Preservation and Development Policy
6. Provide Communities with Development Assistance
7. Enhance Historic Preservation Tools
8. Enact the Maine Community Preservation Act
9. Create the Maine Intrastate Trail System

#### Asset-Based Development Strategy

10. A Local-Regional Approach to Development: Use a locally-driven, broadly participatory structure to identify key assets and to design and implement strategies to preserve and promote these assets
11. State Incentives and Support: Establish a state grant program to assist with the preparation of regional asset-based development strategies
12. State Coordination: Establish a permanent state-level Maine Quality of Place Council
13. Implementation Funding: Provide reliable funding to implement regional and statewide asset-based development strategies
14. State Support: Organize state programs and agencies to incentivize and support bottom-up, asset-based development efforts
15. Workforce Development: Align Maine’s workforce development system and programs with Quality of Place opportunities
downtowns. We propose a statewide program to connect all of Maine’s major centers with trails; as President Dwight Eisenhower once envisioned an interstate highway system, we envision a statewide, off-road biking and walking network for all Maine residents and visitors to enjoy.

We urge strong and fiscally responsible tax incentives for historic preservation. And as in the case of landscape preservation, we recommend realigning state policies and programs to support development in built-up places.

The last set of recommendations proposes a bold new “bottom-up” approach to Maine economic development, called “asset-based development.” It involves inviting people from all walks of life in all parts of Maine to gather and identify key Quality of Place assets; to assemble local resources and energy that, with state support and private assistance, will speed the conservation of landscapes and the revitalization of communities and built-up areas.

As part of this new approach, we propose that state government organize itself to align its agencies and make flexible funds available to help people within their regions build Maine’s Quality of Place advantage.

This is a dramatically new way of thinking for Maine people. In the old way, Maine’s surroundings were nice but not relevant to economic development. Today, Maine’s surroundings remain nice, but they are now the very key to our economic future.

We cannot afford to wait and leave the future to chance. We need to act today to strengthen the Maine we love and, at the same time, assure an economic future for our children.

**Introduction**

In its fall 2006 report on the Maine economy, The Brookings Institution found that, after painful industrial restructuring and amid surprising negativism, Maine is in fact poised for a new era of prosperity “if it takes bold action and focuses its limited resources on a few critical investments.” For sustainable Maine prosperity, Brookings goes on to recommend a three-fold strategy of investing in an innovation economy, streamlining government, and revitalizing our towns and cities while protecting our rural landscapes.

With respect to the last element of the strategy, Brookings goes on to assert that

Accessible wild places and tranquil country farms, human-scaled Main Streets and working waterfronts: these are what differentiate Maine from other places and *in many respects drive its economy*. Yet these assets are at risk. Development is encroaching on Maine’s coastal (waters) and inland lakes, limiting access. Rising land prices are motivating farmers to sell out. And closer in, the state’s
longstanding centers — its regional hubs and their downtowns — cannot often enough stem the flow of suburbanization to truly revitalize themselves. These centers like the green landscape cry out for investment. And so Maine should protect these assets and invest in them as sources of economic advantage.¹ (emphasis added)

In spring 2007, Governor John E. Baldacci created the Governor’s Council on Maine’s Quality of Place to examine these matters. The Executive Order creating the Council² states in part:

WHEREAS, in order to ensure sustainable development the state must protect and invest in the assets and amenities that comprise Maine’s quality places — our diverse communities, our natural resources, our scenic landscapes, the built-environment, the arts and culture, and the infrastructures that support them …;

THE COUNCIL SHALL:
1. Examine the state’s public programs, decision-making processes, investment practices, private market incentives, institutional capacities, and research efforts to assess their readiness to maintain Maine’s distinctiveness as a desirable place to live, to work, to raise a family, and to build a useful and productive life;
2. Develop a recommended action plan or plans for protecting, investing in, and enhancing Maine’s distinctive quality of place, including creative ways and means to finance such plans;
3. Propose structures, institutions, processes, programs, activities, and investments that will ensure the long-term protection and enhancement of Maine’s quality of place; and
4. Propose coordination with and among the actions of existing and recommended public, private, and nonprofit “quality of place” efforts in Maine.

The Council has met nine times in various locations, undertaken extensive research, and heard from The Brookings Institution, from Maine’s economic, planning, business, tourism, creative economy, transportation, landscape protection, historic preservation, and downtown revitalization communities, and from our own staff. With gratitude to all who took their time to inform us, to the Governor for his initiative and support, and to our fine staff for their energy and diligence, the Council offers these initial findings and recommendations.

People, Place, and Prosperity in Maine History

**Place and Prosperity.** The Brookings report asserts that Maine’s Quality of Place is an economic asset of real and increasing value. Our research confirms this. In the modern economy, prosperity comes from the ideas, talents, and energy of people. Keeping and attracting people are the keys to Maine’s economic future.

Our workforce is now expected to stop growing entirely after 2012. If we are to grow in today’s global economy, we must keep all the talented people Maine has and attract new people as well. We need entrepreneurs to start new businesses. We need skilled workers for our boatbuilding, metal working, health care, research and development, tourism, and other industries that already face severe shortages. We need young families to fill our shrinking school enrollments. We need tourists and second-home owners to contribute to the local housing, lodging, and retail economies, and to our tax base. We need retirees to contribute their talents to our civic life.

Maine’s advantage in this competition for people is our Quality of Place. We have majestic mountains, unbroken forests, open fields, wild rivers, pristine lakes, a celebrated coast, picturesque downtowns, lively arts and culture, and authentic historic buildings. Better still, we have access to a wealth and diversity of natural and built environments, settlements, and traditions in dramatic and pleasing combination with one another.

This **Quality of Place** is Maine’s competitive economic advantage today and in the decades ahead. We must learn to think of it as the basic infrastructure of Maine’s future prosperity — much as our highways and bridges are among today’s basic infrastructure — requiring continuing maintenance and investment if its value is not to be lost to our own and to future generations.

**People and Prosperity.** Historically, Maine’s periods of economic prosperity have coincided with and followed upon periods of substantial population growth. This is no accident; together with increasing worker productivity, it is how economic growth

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See Maine Department of Labor, Trends and Implications for the Maine Workforce, Augusta, 2005.
generally happens. Maine’s natural resources attracted early European settlers to harvest, manufacture, and ship their products around the world. Ocean waters provided fish, forests provided wood, fertile lands provided soil for crops, and falling rivers provided power and transport.

After the American Revolution, the Massachusetts Great and General Court set up an office in the District of Maine to sell land on navigable rivers to returning soldiers and immigrants. Within two years, over a million acres were sold off, and Maine’s population grew remarkably — from 96,000 in 1790 to 300,000 at statehood in 1820.

Scottish and English settlers came to farm and trade, Irish laborers came to build Maine’s railroads and canals, Italian stoneworkers came to open quarries and fashion their products, and Maine experienced what is known as our “Golden Era of Farming and Light Industry.” After the Civil War, “summer folks” and “sports” came to partake of Maine’s unspoiled natural beauty and bounty. Later still, waves of French-Canadian immigrants came to supply the workforce for the large textile, paper, and lumbering mills, and potato farming.

Along the river- and ocean-fronts, towns and cities sprang up. Lumber, fish, granite, farm products, ice, water power, creative entrepreneurs, and industrious workers came together here to produce ships, canned food, building materials, paper, textiles, and implements of all kinds. Homes, shops, docks, and roads sat next to each other, amid schools and church steeples on village greens, creating the distinctive setting known world-wide as the New England town.

The quality of our natural resources and historic settlements drew human talent and energy to Maine in the latter half of 19th century and kept them here. Conversely, after World War II, immigrants bypassed Maine and young people left, to return only in retirement. The economy stagnated until the 1970s, when a national “back-to-the-land” movement attracted young people to Maine. They came, they stayed, and they contributed to Maine in myriad ways.

Today, the traditional Maine economy of manufactured goods from our natural heritage is transformed. We produce as much paper, lumber, and manufactured goods as ever, but because of
new technologies, this requires far fewer workers. Meanwhile a new economy arises in Maine, one based on new technologies, manufacturing, biomedicine, retirement living, arts and culture, nature tourism, health care, and professional services.

Yesterday’s economy required Maine’s natural resources as a production input. Today’s economy requires Maine’s natural amenities, cultural assets, and vibrant communities to provide an attractive quality of life for a new generation of workers and visitors. In the new economy, skilled workers, entrepreneurs, tourists, and retirees do not have to locate in Maine, they may go anywhere. Where they choose to work, visit, and live depends on their personal preferences and the appeal of their destination.

The New Challenge. Maine’s Quality of Place, our new competitive advantage, is now in jeopardy. With the selling off of our industrial forests, the decline of agriculture, the arrival of large-scale national retailers, the spreading out of homes and schools across the countryside, and the lack of investment in our downtowns — we risk squandering this critical asset. If we do, Maine will become less like the place we love, and more like Anywhere, USA; moreover, it will fail to prosper in the years ahead.

Keeping and strengthening what is special and distinctive about Maine, and holding and attracting talented people, is a new kind of economic development challenge. At present, we are not well organized to respond to it. Many of our current programs and structures were established decades ago, in response to an economy that no longer exists.

Maine’s Quality of Place is threatened

Sprawl: In 1960, almost 60% of Maine residents lived in service center communities. By 2000, only 44% did.

Aging Workforce: By 2030, more than one in four Mainers will be retirement age or older. The number of deaths exceeds births each year in half of Maine’s counties. School enrollment has fallen by 50,000 students in Maine’s public schools since the 1970s.

Changing Economy: Jobs in natural resources, paper, and wood products are less than three percent of Maine’s employment rolls. Jobs in professional, business, and financial services comprise 14%, up from 3% in 1990.

Loss of Farmland: Between 1997 and 2002, Maine lost 40,000 acres of cropland or 7.5% of the total.

Land Development: Between 1970 and 1990, land development in Maine occurred at four times the rate of population growth. More than 20,000 homes are located in unorganized territories, twice the number in 1970.

Forest Lands Ownership: 50% of Maine’s industrial forestlands have changed ownership since 2000. Forest lands have more value as house lots than for the products they generate.

Conservation Lands: Just 8% of Maine’s land base is in full conservation ownership, well less than that of other northern New England and peer states.

Source: State Planning Office, based on data from the US Census Bureau, October 2007
A new strategy for Maine economic and community development is called for, one that integrates thinking about the natural and built environments and economic development; one that is bottom up and takes energy from Maine’s grassroots; one that is not driven but guided and supported by state government in a new partnership with private landowners and local and regional actors across the public, private, and non-profit sectors.

This, we believe, is part of the central economic challenge of our time.

Quality of Place Findings

The Council’s staff has reviewed academic research and real-world experience related to Quality of Place, from across the nation and the world. Council members have considered this research and applied it to Maine. Here are our findings:

Quality of Place is an economic good of real and increasing value. Places with distinctive and attractive Quality of Place are scarce. Many people across the nation pay higher housing costs and forego higher incomes to live in regions with high Quality of Place.

Quality of Place strengthens a region’s economic prospects. A significant body of research shows that areas with attractive Quality of Place experience higher employment, population, and income growth. Interest in Quality of Place as an economic development strategy is growing.

Entrepreneurs, employers, and workers in today’s high-growth industries value Quality of Place. Quality of Place is especially important to highly skilled and educated workers. These are the people who are essential to the technology, manufacturing, research and development, and professional service industries that Maine looks to for future growth.

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Quality of Place is an appealing framework for economic development in Maine.
Traditional economic development strategies focus on lowering business costs related to
taxes, land, and buildings, through subsidies and incentives. Quality of Place strategies
address the major bottleneck facing the new economy in Maine, by creating the living
conditions that enable businesses to recruit skilled workers. They seek directly to enhance
a place’s appeal, to the benefit of current and future residents, alike.

Maine’s Quality of Place assets are diverse and plentiful. Maine’s Quality of Place,
our exceptional and marketable assets, consists of our natural environment, including
clean air and waters and open space; historic architectural heritage and downtowns; arts
and cultural heritage and traditions; forestry, maritime, and agricultural heritage; working
lands and waterfronts; traditions of integrity, hard work, and quality products; and the
private landowners, physical infrastructure, businesses, and civic organizations that
support these and provide access to them. Several Maine communities — as, Bethel, Fort
Kent, Portland, and Rockland — have turned local Quality of Place assets into economic
opportunity fairly quickly.\footnote{Examples of exceptional Maine assets now marketed in Quality of Place terms include L.L. Bean’s and Maine
potatoes distilled into Cold River Vodka in Freeport; reviving the Maine skiing heritage through the Maine Winter
Sports Center in Aroostook County; sustainable forestry, recreational infrastructure, and other stewardship of
Washington County natural resources by the Downeast Lakes Land Trust; and promotion of western Maine history,
culture, and natural landscape by the Western Maine Mountain Heritage Network.}

Quality of Place is a complement to, not a
substitute for traditional economic
development strategies. New and expanding
businesses still need competitive transportation,
energy, health, and tax costs, so traditional
economic development tools and fiscal discipline
remain important. But Maine’s biggest
competitive advantage today is our Quality of
Place. While we use traditional tools to offset
Maine’s cost disadvantages, we must do more to
invest in and enhance our strongest economic
development asset, this Quality of Place

Within a Quality of Place framework, the value of Maine’s natural resources
depends on carefully managed access. There are many ways to gain economic value
from a region’s natural resources. Agriculture and extractive industries turn natural
resources into raw commodities. Quality of Place strategies use natural resources for their
aesthetic value and recreational opportunities. Without scenic and recreational access to
Maine’s natural environment, its full economic value may not be realized. Therefore,
investment in nature-based infrastructure, such as hiking trails, camp sites, road signage,
etc., is essential.

Successful Quality of Place initiatives need to be regional and strategic, and to
involve broad cross-sections of people. People live, work, worship, shop, and recreate
today within regions of multiple communities; their perception of Quality of Place
reflects the entire region. Therefore, each community’s Quality of Place choices affect its neighbors, and protecting or enhancing Quality of Place may only be done regionally. However, Maine is missing an essential component to promote and protect our future — locally-driven, regional entities with the responsibility and capacity to identify and implement Quality of Place strategies.

These regional initiatives must bring together different people — landowners, retirees, artists, historians, tourists, etc. — to assess Quality of Place. Each sees Quality of Place differently, and they must come together around a vision grounded in economic reality. An effective strategy will consider all the components of Maine’s Quality of Place, as well as the traditional economic factors that need be in place so Quality of Place can influence business and individual location decisions.

**Quality of Place is developed through an asset-based investment strategy.** “Asset-based development” refers to initiatives that build upon regional strengths and capacities that stand out from the norm and have the potential to attract economic opportunities. Such a strategy first identifies a region’s assets: the skills and abilities of its residents, organizations, businesses, and institutions; and its natural, historical, and cultural resources. It then designs initiatives to build on these assets and create new opportunities by enhancing them, marketing them, and combining them in new and productive ways.

The alternative is “needs-based development,” which identifies a region’s deficiencies and designs initiatives to correct them. An asset-based investment strategy is the only way to maintain and strengthen Maine’s Quality of Place. A needs-based strategy alone is not sufficient.

**Maine today is not well-organized to carry out an asset-based strategy and strengthen our Quality of Place.** Maine is not now well-organized to respond to the threats to Quality of Place and achieve the prosperity available with an asset-based investment strategy. Maine’s myriad economic development efforts are often reactive; focused on responding to local “needs,” spreading resources too thin to be fully effective; top-down and not sufficiently bottom-up; dominated by the separation of programs and available resources into organizational silos and boxes; fragmented and narrowly focused at the local level; and not effectively monitored for performance over time.6

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Recommendations

A New and Needed Investment Strategy for Maine

Maine’s present tools do not effectively address the economic development challenge Maine now faces – to retain and attract young people, entrepreneurs, skilled workers, seasonal visitors, and retirees. Maine needs a new investment strategy to focus resources on the current challenge, at the appropriate level.

Governor John Baldacci’s initiatives in community colleges, research and development, natural resource-based industries, the creative economy, and nature-based tourism have begun moving Maine in this direction. Now, we must build on this foundation to:

- engage and empower the people who know Maine’s Quality of Place best, at a geographical level they are familiar with;
- organize state government in support of these efforts in a timely and responsive way; and
- provide the resources and coordination to ensure success.

Traditional economic development programs focus on weaknesses — a closed mill, the lack of a business park or road, a high local tax rate. This new, added approach must focus on identifying our assets and strengthening them, not compensating for weaknesses. Addressing shortcomings will always be needed, but it cannot be the sole or primary focus of Maine’s community and economic development efforts. Just as individuals and businesses leverage their strengths and competitive advantages to increase their economic well-being, so must Maine.

An effective, forward-looking strategy must give equal focus to the state’s strengths, and do all we can to enhance and market this advantage. This approach, known as “asset-based” development, has been successful

What is Asset-based Development?

Across the U.S., economic development efforts generally fall into two categories: 1) needs-based, and 2) asset-based.

Needs-based development identifies a community’s or region’s weaknesses and creates programs to correct them. It is often driven by institutions or service providers from outside the region, such as federal and state governments, universities, and non-profit groups.

Asset-based development builds upon a region’s strengths or potential comparative advantage. It identifies a region’s unique and marketable assets: the expertise and abilities of its workforce, businesses, organizations, and institutions; and its natural, historical, and cultural resources. It then designs initiatives that connect and enhance these assets in ways that multiply their productive capabilities. Leadership for asset-based development generally comes from within the region. Asset-based development energizes and empowers local actors and fosters self-sufficiency.

Both strategies are necessary. Asset-based development is not a substitute for needs-based development, but a powerful complement to it. Indeed, we must use a combination of the two.
around the country and the world. It is what we propose for Maine and our future: *to invest in Maine’s Quality of Place as an economic, as well as a cultural, community, and civic asset.*

**Regional Landscape Conservation**

Maine’s vast, forested, and largely privately-owned landscape is unique in the nation; there is *nothing* like it anywhere else. It includes 5300 miles of rugged coast. Forests carpet more than 90% of the state. It is home to some 6000 lakes and ponds, largely pristine, and the spectacular rivers and myriad tributaries that feed them.

Wildlife populations in nearby states pale in comparison to Maine’s, according to the latest surveys. 414 pairs of bald eagles now nest in Maine, compared to 15 in New Hampshire (mostly along the Maine border) and 2 in Vermont. Southern Maine’s adult loons outnumber all of New Hampshire’s by 7 to 1, and surviving loon chicks, by 7.5 to 1. Southern and Coastal Maine have the highest biodiversity in the state and large, unfragmented blocks of land — although this land is today under intense pressure from unplanned growth and sprawl.

These large tracts of undeveloped land, key scenic parcels, and lands and waters that support wildlife, fishing, farming, forest products industries and recreation and tourism are important economic assets and pillars of the Maine economy.

Today, Maine’s large regional landscapes are undergoing unprecedented change. Land is being divided into smaller parcels, large tracts of forestlands have changed hands from industrial to institutional ownership, and access to shorelines is dwindling dramatically. Public access to small landowners’ private lands is a Maine tradition under increasing pressure today, even while their owners bear increasing costs from it.

Barely twenty miles of Maine’s 5300 mile coastline remain available as working waterfront, housing units in LURC jurisdiction have increased more than 80 percent since its inception, and some 70 percent of *all* growth in Maine since 1988 has occurred in the rural places that Maine people say they want to protect. Maine needs to take strong action

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7 Some examples include: Minnesota Rural Partners, City of Seattle WA, City of Asheville NC, Loudon County TN, Appalachian Regional Commission, and Northwest Area Foundation (Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, and Washington, Oregon).
to sustain the threatened regional landscapes that are essential to our competitive advantage.

1. Recognize and Support Private Landowners’ Crucial Role in Protecting Maine’s Quality of Place

Many of the characteristics essential to Maine's Quality of Place depend on the willingness of private landowners to keep their property undeveloped and open to public access. Our vast tracts of undeveloped lands, scenic vistas, wildlife habitat, and the recreation and tourism activities they afford are, more than in any other state, on privately-owned land. Yet, most of the economic benefits deriving from these activities do not accrue to the private landowners, who are under increasing pressure to restrict public access and develop their properties for exclusively private residential and commercial uses.

The Council recommends that the state identify means to provide market incentives to private landowners that will encourage them to allow continuing public access to their lands, and support public education efforts to ensure respectful use of private lands by the public. The Council, itself, will explore these questions in the coming months.

2. Recognize, Incentivize, and Reward Regional Landscape Conservation

Numerous regional landscape protection efforts are underway all across Maine that combine the efforts of citizens, governments, private landowners, and the private and non-profit sectors — from Mt Agamenticus to the Sea, to the Kennebec River Corridor Initiative, to the Downeast Lakes Land Trust. These efforts, and others like them, deserve the state’s warm recognition and full support.

The Land for Maine’s Future program (LMF) is today a critical player in leveraging private and federal monies for Maine land conservation efforts. Voters have approved $112 million in bond funds over 20 years to stimulate land conservation through LMF; and for every public dollar it has spent, almost four private and federal dollars has been leveraged to protect more than one-half million acres of Maine land.

In these two decades, however, land costs have escalated all across Maine. Remote, forested lands that produce a return under timber management of some $20 per acre per year can now command tens of thousands of dollars per acre for development. The cost of conserving these landscapes has risen significantly as a consequence. Maine must have
on-going, reliable conservation funds available adequate to this market and, as well, new tools and incentives to preserve Maine landscapes.

The Council recommends:

- That the State make adequate, continuing investment in the Land For Maine’s Future Program, through bonding or the creation of a dedicated funding source for landscape conservation, of approximately $20 million per year;

- Strong state support for regional landscape initiatives with financial aid and technical assistance provided through the asset-based planning and funding process described below;

- That the State Planning Office and Department of Conservation study current regional conservation initiatives to develop and publish guidelines based on best practices, to be encouraged through regional asset-based strategies and implementation;

- Creation of new tools such as a regional purchase of development rights program, tax exemptions and credits, a Quality of Place impact fee, and incentives for private landowners to preserve land for public access; and

- That the State Planning Office identify a continuing funding stream for the LMF program, as well as needed, new land protection tools, and make recommendations in both regards to the next Legislature.

3. Recognize and Act Upon the Historic Changes Faced by LURC

The Land Use Regulation Commission (LURC), established in 1972, has entered an entirely new era. The largely unbroken, forested landscape of the Unorganized Territory is a magnificent heritage of inestimable value, and LURC today faces challenges of historic proportion. These include changing ownerships and expectations of near-term return on investment, increasing numbers and scale of subdivisions, and development proposals of entirely new kind and character that come before it.
The Council supports the current review of the LURC comprehensive land use plan, and recommends:

- Critical reassessment of the “subdivision exemption” under LURC that permits two automatic, un-reviewed subdivisions of a parcel every five years. In the last 35 years, more than 8600 new dwellings have been built in the Unorganized Territory, fully 72 percent on new lots without review under this exemption. LURC, together with interested parties, must find creative means to address both the traditional intra-family need for subdivision and the interests of the new, institutional landowners of large blocks of land.

- Legislative review of LURC’s enabling statute and current staff resources, to assure its ability to deal with the increasing development pressures and complexities within its jurisdiction.

- That LURC’s planning efforts proceed in full recognition of the important relationship that exists between all development within its jurisdiction and the economic vitality of the organized service centers that serve its growing number of residents and visitors.

4. Align the State’s Basic Land Use Statutes with Quality of Place

The State’s basic land use laws — the LURC Law, the Maine Site Location of Development Law, the Sensible Transportation Policy Act, the Growth Management Act, and the Informed Growth Act — contain provisions that frequently fail to conform with one another and with established Quality of Place goals and objectives.

The Council recommends that the State Planning Office lead an effort among the agencies of jurisdiction to review these laws and make recommendations to the next Legislature for changes needed to enhance and sustain Maine’s Quality of Place.

Community & Downtown Revitalization

Maine’s Quality of Place depends on both its rural and urban places; indeed, the two are inextricably connected. An important part of Maine’s heritage is its built environment – historic homes, commercial edifices, factories, civic buildings, schools, libraries, grange halls, opera houses and theaters, and other public gathering places. This special built environment is the “flip side” to Maine’s special natural landscapes. The two together help define a community’s “place.”

Maine today is losing its unique built environment, however. Many historic structures in our downtowns are
being torn down or left to deteriorate. Civic buildings, schools, and housing are being pushed out of built-up areas, replaced if at all by new structures in formerly rural places. Maine needs to make sustained investments to protect its authentic built environment, where it is, and on which its Quality of Place depends.

5. Adopt a Strong State Community Preservation and Development Policy

The Council recommends that Maine state policymakers embrace a strong policy statement supporting Maine’s historic downtowns and built environment as a cornerstone of Maine’s Quality of Place. Development policies across all state departments and independent state agencies must be aligned to support protection of this community heritage and downtown redevelopment effort.

6. Provide Communities with Development Assistance

Maine needs a continuum of services to support the built environment and heritage of our communities. These services must include the present Main Street Maine program, a versatile small communities program, and basic community and downtown revitalization technical assistance.

The Council recommends that the State Planning Office, in collaboration with other appropriate agencies, evaluate program and service delivery for downtown redevelopment; and recommend to the next Legislature options to support both Main Street Maine and non-Main Street Maine program communities, including both service centers and localities without the resources to commit to this program.

7. Enhance Historic Preservation Tools

Maine’s wealth of domestic, civic, commercial, and industrial architecture is unsurpassed in the nation, an irreplaceable asset. The Council strongly:

- Supports the Act To Amend the Credit for Rehabilitation of Historic Properties (LD 262) to make historic rehabilitation projects economically feasible, recognizing that an acceptable funding method must be found.

- Supports the recommendations of the Resolve 46 steering committee to implement uniform building codes in a way that encourages downtown redevelopment and rehabilitation of historic structures, while maintaining building quality and safety.

- Urges the State Planning Office to develop a model “form-based” mixed use zoning code that municipalities may adopt to support development in downtowns and built-up areas.
8. Enact the Maine Community Preservation Act

Maine is losing historic structures at an alarming rate. A 2005 capital needs survey identified more than 560 historic structures needing repairs and renovations in excess of $300 million. The Council recommends that a Maine Community Preservation program, with an administrative structure similar to that of the Land for Maine’s Future Board, be capitalized with a bond issue or issues over multiple years totaling $50-100 million, to:

- Rehabilitate historic structures for use as public gathering places and educational resources, such as city halls, opera houses, and Grange buildings;
- Fund related community enhancements to complement the newly-restored structures, such as sidewalks, street lamps, benches, and parks and trail infrastructure, with an emphasis on community gateways; and
- Acquire related land and easements to connect these important assets to parks and trails, river and canal walks, and greenways and green spaces.

9. Create the Maine Intrastate Trail System

Pedestrian access to and among Maine’s quality places is central to asset-based development. Trail projects like those around Portland’s Back Cove and along the Kennebec River and the Downeast Sunrise Trail enhance the quality of life of residents and visitors, alike. The Council recommends:

- Development of physical links between downtowns and greenways by planning and constructing parks, bridges, trails, and river walks over streams, canals, or railroad beds, to be accomplished through existing policies and programs including the Land for Maine’s Future Program, the MaineDOT’s multimodal programs, downtown revitalization efforts, and the myriad of volunteer groups involved.
- That the Maine departments of Transportation and Conservation, in coordination with local and regional trail groups, identify and plan a statewide system of multi-use trails in the organized portions of the state, from Kittery to Fort Kent, from Eastport to Bethel, and report its plan to the next Legislature. The plan should include recommendations for maintaining and marketing the system that would not only link rural trails, but would also provide access through sidewalks, urban trails, bikeways, and greenways to downtown shops, restaurants, and cultural attractions.
Asset-Based Development Strategy

Entrepreneurs, employers, and workers in today’s high-growth and innovation-led industries value Quality of Place in deciding where to locate. Maine’s traditional built environments, natural resources, landscapes, downtowns, and communities not only define the state’s character; together, they comprise an economic good of great value.

While investing to protect downtowns and landscapes, we ask: How do we change to stay the same? How may we best organize to prepare and implement a Quality of Place protection and investment strategy?

Successful Quality of Place initiatives elsewhere are built on the understanding that people live, work, shop, and recreate today across multiple communities, within regions. Accordingly, we recommend a wholly new approach to community and economic development in Maine – a bottom-up, combined local-regional-state effort to preserve Maine’s Quality of Place and prosper from it in the global economy.

10. A Local-Regional Approach to Development: Use a locally-driven, broadly participatory structure to identify key place-based assets and to plan and implement strategies to preserve and promote these assets.

To implement this bottom-up approach:

- Make the regional councils of government that operate as economic development districts responsible for implementing this effort. For 35 years the State has fostered regional cooperation and development through Regional Councils of Government (COGs). COGs may exercise any authority possessed by municipal government except essential municipal legislative powers, taxation, and eminent domain; and may accept grants from public and private sources. The federal government designates regional economic development districts (EDDs) to coordinate applications for and expenditure of federal funds to implement a

“As the search for quality places grows in importance, Maine possesses a globally known ‘brand’ built on an image of livable communities, stunning scenery, and great recreational opportunities. Likewise, as ‘innovation’ drives more of the economy, Maine’s reputation for Yankee ingenuity and resourcefulness matters more.”

—The Brookings Institution, Charting Maine’s Future, 2006

Mt. Battie, Camden
region’s economic development strategy. Six EDDs exist in Maine today.\(^8\) This structure offers the best opportunity to realize and institutionalize regional asset-based development strategies.

- **Create regional quality of place councils within each COG/EDD.** Based on established state criteria to ensure adequate expertise and stakeholder representation, each COG/EDD would establish a Regional Quality of Place Council or councils to assist in creating and implementing the region’s asset-based development strategy. The COG/EDDs may establish more than one quality of place council within their borders as appropriate, and between COG/EDD jurisdictions, as well.

- **Devolve appropriate state authority and grants to regions, to enhance the stature of COG/EDDs.** The State should examine its policies, authorities, and funding streams (such as Community Development Block Grants and Local and Regional Efficiency Fund Grants) to determine efforts that might better be located at the regional level, to coincide with COG/EDD implementation of asset-based investment strategies. Transportation provides a model, where regions set priorities that the Maine Department of Transportation funds. This devolution of authority, responsibility, and resources is essential to the COG’s ability to function effectively in this new and necessary role.

11. **State Incentives and Support: Establish a state grant program to assist with the preparation of regional asset-based development strategies.**

An analog for this grant program is the existing state Fund for the Efficient Delivery of Local and Regional Services. State statute establishes the purposes of the Fund and criteria for awarding funds, requirements for project eligibility, how the Fund is administered, and the review panel membership, including state, regional, and local representatives. A percentage of the State’s municipal revenue sharing that is set aside for the Fund for Local and Regional Efficiencies might be targeted for grants to COG/EDDs to prepare regional asset-based investment strategies.

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12. State Coordination: Establish a permanent state-level Maine Quality of Place Council.

The Maine Quality of Place Council, in coordination with existing bodies such as the Economic Growth Council and Community Preservation Advisory Committee, would establish standards and performance outcomes for regional asset-based development strategy grants. Like the Land for Maine’s Future board, this Council would consist of relevant state officials, regional representatives, and interested constituencies. It would also award grants, through a process analogous to that of the Land for Maine’s Future Board, for asset-based development projects of statewide significance. These projects might cross COG boundaries or seek to protect and promote Quality of Place assets of economic significance to all of Maine, and could be proposed by private-public-NGO partnerships.

13. Implementation Funding: Provide reliable funding to implement regional and statewide asset-based development strategies.

If supported by the industry, no more than a two percentage point increase in the lodging tax might be phased in to increase monies for the Tourism Marketing Promotion Fund, provide on-going implementation grants for regional asset-based investment strategies, and fund asset-based development projects of statewide significance. State bonds could also support investments in projects related to asset-based development. After study and where appropriate, certain federal and state grant programs might become block grants for regions to direct in support of asset-based investment strategies.

Under standards to be developed by the Maine Quality of Place Council, funded projects and programs might include the signing, marketing, and public education for public access to private lands and identified natural, cultural, and historic assets; development of creative economy and nature-based tourism projects; and technical assistance for their implementation.

14. State Support: Organize state programs and agencies to incentivize and support bottom-up, asset-based development efforts.

Asset-based strategies turn traditional development policy on its head — bottom-up, not top-down. To succeed, they require that state bureaucratic walls come down and missions evolve. For success, the most careful coordination and close collaboration is needed among state agencies and programs that have traditionally pursued narrow missions and separate agendas; without that collaboration, even the strongest local/regional asset-based efforts will fail. Quality of Place is not achievable as a strategy without effective alignment of state agency missions with regional strategies for implementation.

State Quality of Place-related functions and programs must, therefore, be organized to assure their effective coordination and mission-alignment with regional efforts, and the
several agencies’ commitment to devolving authority and block grants. There is a division of opinion on the Council about how to proceed in this matter. On the one hand, there is preference for using the State Council proposed in Recommendation 12 above to achieve these essential goals. Others believe that nothing less is required than consolidation of all appropriate Quality of Place-related functions within a single state agency; and where not appropriate because of size or mission, related agencies must be brought into close coordination through membership on the State Quality of Place Council.

15. Workforce Development: Align Maine’s Workforce Development System and Programs with Quality of Place Opportunities

Maine’s Quality of Place supports a broad range of Maine workers — from fishermen and guides who rely on the integrity of our natural environment, to manufacturers and retailers of our reputable quality products, to restaurant and hotel owners who serve our seasonal visitors to Maine’s attractions. Yet, while all Maine residents may enjoy our Quality of Place, not all are able to benefit from its economic value and opportunity. The skills needed to turn Quality of Place into a livable wage are different from those valued by an economy based on natural resource extraction and traditional manufacturing. All Maine workers must have access to the education and training needed to turn their skills and Maine's Quality of Place into a secure and sustainable living.

The Council urges that the Chancellor of the University of Maine System and the President of the Maine Community College System, with help from the State Planning Office and Department of Labor, examine their present programs and offerings and make recommendations to the next Legislature that will assure our public universities, community colleges, vocational schools, and adult education are effectively aligned with today's Quality of Place job opportunities.

Concerns & Next Steps

The Council wishes to express these other concerns at this time:

Access to Private Lands. As indicated above, the Council is concerned about the growing costs to private landowners of traditional public access to their lands, and the fact that none of the economic benefits of access accrue to them. The Council intends to study this matter and report at a later time.

Transportation Planning and Funding. If access is critical to Maine’s Quality of Place, the State’s road and bridge network and its adequate funding are integral to the asset-based development strategy. As Maine grows, failure to address the mobility needs of its population will lead to rapid increases in congestion and time on our highways, a major detriment to Quality of Place in other parts of the country and a potential major drag on the State’s economy. In addition, land use is driven by transportation, and the utmost care must be taken to assure that transportation planning and investment align with Quality of Place goals and objectives.
We strongly applaud the MaineDOT’s Gateway 1 effort to reconcile transportation planning and smart growth efforts along U.S. Route 1 from Brunswick to the new Penobscot Narrows Bridge. We strongly encourage the department’s efforts to strengthen its financial base in the face of rising costs, to bring new focus to rail freight and passenger transportation in Maine, and to restrict the need for expensive infrastructure through effective, regional land use planning.

**Good, Honest Design.** The Council agrees with one of the Council’s witnesses who has written elsewhere that “the basic implication of (Maine’s recent) economic growth patterns is a paradox: to retain Maine’s special character as a place that feels closely connected with the natural environment, Maine people will have to pay much, much more attention to the built environment…. Mainers by and large are far more passionate about the natural than the built environment. A strong commitment to developing a Maine sense of design for the built environment, as architects such as John Calvin Stevens did, will make all the difference” to Maine’s future Quality of Place. It is the Council’s intention to explore with the Chancellor of the University of Maine System the possibility of creating capacity within the System to teach, research, and extend the best principles and practice of design for our landscapes and communities.

**Standards for Asset-based Development Strategy.** If the proposed local-regional-state partnership is to move ahead, standards and procedures will need to be developed for membership and operation of the regional and state Quality of Place Councils, for planning and implementation project eligibility, and for the timing and awarding of grants, along the lines of those that now apply to the Land for Maine’s Future Program and the state Fund for the Efficient Delivery of Local and Regional Services. Council staff will now give attention to this matter, with interested parties.

**Consultation with the Governor’s Council on Competitiveness and the Economy.** The Council will consult at an early time with the recently-established Governor’s Council on Competitiveness and the Economy, created to advise the Governor on investment and trade opportunities, and cluster and workforce development. The Competitiveness and Quality of Place Councils now have the opportunity to bring together the traditional and asset-based strands of economic development in Maine. In particular, we wish to explore with them how to ensure that Quality of Place strategies coordinate with implementation of the research and development effort consistently supported by Maine voters.

**Comments.** The Council will continue to gather information on outstanding issues and to consult with stakeholders. Questions, comments, and suggestions in response to this report are welcome and will help define the Council’s agenda and refine its final product. Please send written comments to linda.c.laplante@maine.gov.

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Bibliography


