

# Governor's Council on Maine's Quality of Place

## Investing in Quality of Place for Sustainable Rural Development: Land, Green Infrastructure, and Amenities

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*Spreading Prosperity to All of Maine*

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### Notes:

- These comments are based on a recent study, “‘World-Class’ Rural Tourism: A Big Push Strategy” in D. Vail and L. Pohlmann, eds, *Health Care and Tourism: A Lead Sector Strategy for Rural Maine* (Maine Center for Economic Policy, 2007). Page references are to that study.
- These comments focus on interior and downeast Maine: the six rim counties and northern Penobscot County.

Rural Maine's economic prospects long depended on its resource-based and manufacturing industries. Their stagnation or decline has brought chronic social and economic distress to scores of rural communities and their aging populations. My studies of the past several years – reinforced by my intuition – tells me that quality of place, broadly defined, will be the critical factor determining whether rural Maine's people and communities can prosper in the future.

I will address two closely connected notions of quality places: quality of tourism destinations and quality of rural community life.

### A World-class Tourism Destination

Quality is the key to reshaping rural Maine as a premier tourist destination. Despite a host of exciting new initiatives, we are not there yet. Numbers are actually declining for several traditional rural tourist mainstays, for example visits to Baxter and Acadia, white water rafting, hunting, and camping. And the competition from other destinations, near and far, is intense. (pp. 81 – 87)

Nonetheless, I am optimistic that, with a coherent tourism strategy backed by adequate investment in quality tourist destinations and products, rural Maine can fulfill its potential as a world-class destination, especially for discriminating, high spending “experiential tourists.” Tourism can become a lead sector, driving rural economic development more broadly. (pp. 87-103)

Thinking about the Brookings recommended “Quality Places Fund” and the Legislature’s 2007 bond package, I offer the following suggestions.

1. **The time is right for a “big push” to develop the Great Maine Woods into a world-class destination.** The effort should center on our 3 million acre mosaic of protected lands. Adopting a “twin parks” strategy, it should explicitly connect the Maine Woods recreation network with Acadia on the coast and use Bangor as a hub. (pp. 87-95)
  - By any reasonable estimate, Land for Maine’s Future will require far more than the \$17 million included in this year’s bond package and more than the \$90 million (10 year) magnitude proposed by Brookings. We should keep in mind that just part of new LMF funds can be targeted to lands that are important for rural tourism. (pp 94-95)
  - LMF’s allocation criteria should put greater emphasis on parcels’ potential contribution to tourism development in rural areas.
  - The current bond’s \$7 million for “green infrastructure” investments, such as maintenance and upgrading of state parks and historic sites, is woefully inadequate. That is true *a fortiori* of the Brookings’ proposal, which calls for just \$5 million over ten years to support “access to and traditional uses of” public lands. Last fall, the “Green Infrastructure Coalition” produced a prioritized list of urgent needs more than an order of magnitude greater than that. Karen Tilberg, Governor’s Office liason to your Council can speak to these needs.
  
2. **A key component of the big push is to expand and upgrade the quality of rural Maine’s cultural and heritage attractions.** They are a crucial complement to nature in attracting experiential tourists and expanding “marketable overnight trips.” And investing in beautiful town centers, museums, arts events, etc. has a double payoff: it enhances residents’ quality of life as it lures high spending tourists.
  - We should seek Congressional designation of a Maine Woods National Heritage Area. (pp. 95-98, 119-120) Bruce Hazard on your Council can speak to both the promise and pitfalls of a NHA initiative. In my view, the federal funds and National Park Service imprimatur that follow from NHA designation make this effort well worth pursuing by the governor and our congressional delegation. (They will also have to educate skeptics to the fact that NHA designation does not mean federal ownership or control.)

### Amenity Rich Rural Communities

A second aspect of quality of place is the role of human-made amenities in attracting three desirable groups of in-migrants to the rim counties: mobile entrepreneurs, highly educated young people, and affluent retirees. Here, to be frank, the prognosis is far less bright than for tourism. A literature review on America’s “rural rebound” of the 1990s and the locational choices made by the “creative class” suggests that few, if any, clusters of rim county towns can aspire to attract these groups in significant numbers.

Investments to beautify town centers, expand cultural offerings, maintain hospitals, and upgrade other amenities are a necessary but far from sufficient condition to attract such people. However, as indicated above, there is a catch. Amenity investments that *might* attract footloose entrepreneurs will definitely enhance residents' quality of life and tourists' quality of experience. (pp. 107-113)

Two strategic suggestions for targeting limited state resources:

1. **Support local efforts to upgrade amenities in tourism gateway towns such as Bethel, Rangeley, Greenville and Millinocket.**
  - At a minimum, bring them into the Main Street Maine program.
2. **Frame a big push experiment, where state-backed amenity investments target one cluster of especially promising rural communities.**
  - My provisional recommendation is Norway-Paris-Bethel. (pp. 111 -112)

#### A Funding Dilemma

The Brookings report proposes that the Maine Quality Places Fund be financed through a 3% increase in the lodging tax. In Green Infrastructure Coalition meetings, we discussed additional sources of dedicated revenues to spread the burden but still largely target non-residents. Examples are higher taxes on class A restaurant meals, car rentals, and real estate transfers for second homes. I have also suggested that we consider increases in the peak season Portland Jetport fee and York turnpike toll.

The emerging problem with the sales and excise proposals is that pending tax reform legislation would increase them, not for the purpose of investing in "Maine's quality places", but to finance property tax relief and reduce income tax rates.

Passage of this legislation presents the Council with a dilemma. Apart from investments that can be financed through general obligation bonds, where will the money come from?