

# **Governors Council on Maine's Quality of Place**

Minutes of the Fifth Meeting, September 11, 2007<sup>1</sup>

Augusta City Council Chambers, Augusta

**Next Meeting of the Council: October 2<sup>nd</sup>, 1:30 p.m. to 5:30 p.m., in MaineDOT Conference Room, Augusta** (refreshments will be provided, but not lunch)

**Present:** Council members: Ed Barrett, Bruce Hazard, Richard Barringer, Jay Espy, Henry (Hank) Schmelzer, Tracy Michaud Stutzman, Hilary Basset, Charles (Chuck) Lawton, Mary Kate Reny, Eleanor Kinney, Evan Richert, Ken Young, Martha Freeman. Karin Tilberg, Governor's liaison

**Absent:** John Marsh, John Rohman, David Whitney, Barbara Trafton, and Kevin Mattson. Staff: Sue Inches, Kate Reilly, John Del Vecchio, Jody Harris, T.J. Tavares.

**Others Attending:** Jim Gooch, Jeff Madore, Carolyn Manson, Carolann Ouellette, Jeff Austin, Maggie Drummond, Sarah Giffen, Eliza Townsend, Ruta Dzenis, and John Weber.

**Introductions & Greetings:** Richard Barringer opened the meeting at 10 a.m. with the introduction of Council members, staff, and guests. There was a moment of silence for the victims of 9-11 and the wars in Afghanistan and Iraq. He informed Council members of his discussions with Commissioner Richardson (Dept. of Economic and Community Development) as well as with Representative John Piotti, informing them of the Council's work and direction. Richard shared his intention to attend the first meeting of the Legislature's "Place and Prosperity" Committee (Sept. 25), co-chaired by Representative Piotti, in order to give this Committee an overview of the Council's work to date. Richard then introduced to the Council the three guests invited to present their views on Maine tourism.

## **Panel Presentation**

**Tourism Panel: "How important is Maine's Quality of Place to our tourism industry and what might the Governor's Q of P Council recommend to advance a sustainable tourism industry in Maine?"**

**Greg Dougal, Executive Director, Maine Innkeeper's Association:**

Greg provided evidence supporting that tourism is the #1 industry in Maine. He pointed out that Maine's natural resources play a key role in attracting tourists, along with our downtowns and other attractions and amenities. Greg also noted that Maine needs to invest more in its tourism industry, especially tourism infrastructure. He said that the

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<sup>1</sup> Note: The minutes have been prepared by staff of the State Planning Office from notes taken throughout the day; they are intended to summarize a rich set of presentations and conversations, and do not necessarily represent accurately the thoughts and opinions of those cited here.

State needs to support the recommendations of the FERMATA study (on nature-based tourism) with a point person at DECD who can develop the FERMATA agenda.

Greg noted that Maine's tourism industry has always supported the Land for Maine's Future Program and supports efforts to preserve lands and protect and enhance historic and downtown resources. The tourism industry is cautious about additional taxes and he testified neither for nor against the lodging tax increase on behalf of the Maine Innkeepers Association. He cited the excellent job done by other states and provinces—Colorado, New Brunswick, Nova Scotia—to manage and “package” state and provincial parks, and noted that Maine could do more in this regard.

He cited the importance of private property owners as part of Maine's public access feature and that more synergy could be created here between our programs and these owners that provide protection and/or access.

Council member questions: Evan Richert asked if any study had been done correlating meal and lodging tax rates with effects on use/demand. Greg noted that the American Hotel and Lodging did a study indicating a 1.2% drop in occupancy with a 1% tax increase. He said he would make this study available to the Council.

Elinor Kinney asked if Greg's members have discussed proposals for large park attractions in Maine, such as the Twin Parks proposal, might attract more tourists. Greg observed that he felt it was possible to create the “great Maine experience” without creating a big national park.

Hilary Bassett asked how the Quality of Place Council might recommend help for historic buildings in Maine. Greg pointed out there are numerous grants and loans but not for tourism and tourism infrastructure—for example motel upgrades.

Richard Barringer asked if there is an elaboration available of the “product” infrastructure you are trying to create. Greg said that there was and he would provide it to the Council.

**Trudy McNulty, Tourism Consultant:**

Trudy shared her views and perspective, as a tourism consultant with clients in many other states, on Maine's tourism opportunities and constraints (PowerPoint slides requested). Highlights from her creative and challenging presentation include:

Maine is unusual in its “top down” approach with tourism funding. “Only under pressure are regional grants given, and you lose a lot by doing that” Trudy remarked. Maine tourism functions as a small closed system but has a limited focus on selling “perishable” products today (meaning rooms and meals). This limited focus discourages innovation and strategic thinking. As an example, she said tourists are looking for bigger, better and more up to date accommodations, but because smaller motel owners might lose business to bigger facilities, this strategy is resisted. In another example, she said that in order to take pressure off resources, an approach might be to get fewer, higher spending visitors to that area. “The strategic thinker is a loser job”, she said.

“Quality of life is our Maine mystique” Trudy observed. Because Maine is out of the way, people make extra effort to come here. Being “out of the way” is a positive, not a negative. Summer camps for kids are a prime generator of the Maine mystique.

For Maine to compete, to get the money and training that is needed to ensure a tourism industry that is in balance with Maine’s quality of place, it will require a partnership of both public and private sectors. For that partnership to happen there is a need for strategic thinking and leadership...government needs to take a leadership role in this, she said.

**Robin Zinchuck, Bethel Area Chamber of Commerce:**

State agencies can improve quality of place, especially in rural areas like western Maine, by making investments in such things as road shoulders for cyclists and multi-use trails. More investments are needed in State park infrastructure and in Maine’s downtowns. Increased state investment in wildlife management—especially fish stocking—will also benefit tourism in Maine. She cited the tourism sub-cabinet as a positive development in coordinating state programs that support tourism.

Additionally, Robin pointed out, Community College investments for training in the tourism and hospitality field are key components that need support. Educating our municipal leaders is also important: in order to provide the services residents need and tourists demand, we can’t be stuck in the same old paradigm.

The State needs to promote aggressively the Maine brand... “We don’t have a corner on beautiful places” she observed. Developing strategic partnerships with private partners is a key component, citing that “we just cannot go it alone with taxes”. She cited the Northern Forest Sustainable Economy Initiative and the Mahoosuc Initiative as two examples of public/private partnerships.

**Council questions:**

Evan Richert asked if studies have been done to assess the number of first time Maine visitors returning to Maine. Ed Barrett observed that it may take a constitutional amendment in order to change how the meals and lodging tax is distributed.

Bruce Hazard pointed out that there is some real “sea change” going on in Maine’s tourism industry, as evidenced by the remarks made by the three panelists this morning, whom he and the Council Chair thanked for coming.

**Summary Reports from 4 Focus Groups (reports attached) & Gov. John Baldacci’s Remarks:**

**Downtown Focus Group** presented by Jody Harris

In its summary report this focus group cited the need to link Maine’s built and natural environments. Just as with our exceptional natural environment, there is an equal urgency to preserve and maintain Maine’s distinctive built environment, which once gone, is gone forever.

The Downtown focus group's key recommendations include:

1. Enact the Maine Community Preservation Act with \$25 million a year for five years.
2. Create the Maine Intrastate Trail System.
3. Provide Communities with Downtown Development Assistance.
4. Enhance Historic Preservation Tools.

### **Chair Barringer introduced Governor John E. Baldacci**

Governor Baldacci joined Council members and thanked them for their work. He cited how last year's Brookings report talks about the strong connection between Maine's quality places and our future economic prosperity. He knows how important Maine's natural and cultural resources, open spaces, and downtowns are to our economy.

The Governor stated that he is pleased that the Council has looked hard at this notion, and found that:

- Maine's quality of place is in fact an economic asset of real and increasing value;
- Today's high-growth industries value quality of place, and are especially attracted to it; and
- Successful quality of place-related initiatives will be regional, strategic, and multi-dimensional in nature.

The Governor recounted his July meeting with the Council's chair, Dick Barringer, to discuss these matters; and suggested that, as the Council proceeds with its recommendations, it keep in mind three things which he is trying to accomplish in other areas such as education and county jails: :

- decentralization and regionalization of authority and responsibility, with state support;
- Streamlining and consolidation of related functions and programs; and
- generating savings and new revenues to invest in Maine's sustainable development.

The Governor noted that he feels a responsibility to use his second term to address important matters, even if they are uncomfortable ones. He thanked the Council for all it has done and urged its members to bring to him whatever recommendations they may have to advance these principles and our prospects for a sustainable Maine economy and quality of life.

**Regional Landscapes Focus Group** presented by John Del Vecchio:

This focus group's recommendations support efforts that will help ensure more effective identification, planning for, and conservation of regional landscapes and natural resources. Key findings and recommendations include:

1. Good examples of regional approaches exist.
2. State recognition and reward for regional efforts is critical.
3. Regional planning should reflect regional priorities and state goals.
4. Consider new planning and management approaches in LURC territory.
5. In response to better regional planning/governance, consider new opportunities to change DEPs Site Location of Development Act.

**Regional Planning and Governance** presented by Sue Inches:

Sue reviewed highlights of the Regional Planning and Governance group's discussions. This focus group finds that strong growth of grassroots regional efforts to address open space planning, regional land use, preservation of cultural assets, and large natural areas demonstrates a willingness among many to consider planning and governing on a more regional basis. The group also felt a focus on open space planning would be the easiest, most logical place to start the process of regional planning. The group's proposed response includes:

1. Create meaningful regional asset plans that are based on the vision and goals of the local and regional communities.
2. Devolve some important state decisions to the regional/local level.
3. Create criteria for establishing regions.
4. Create a process for regions to implement plans.

**Asset-based Development Focus Group** presented by Kate Reilly:

Kate gave an overview of asset-based examples and opportunities, including:

1. Examples of Asset-Based Development Outside of Maine. Numerous states, counties, cities, and non-profit organizations pursue "asset-based development" although sometimes not by that name. Examples of initiatives in other states as well as a description of their commonalities were presented.

Commonalities of asset-based development initiatives outside Maine include:

- Ideas, priorities, and leadership originate at local and regional level
- Higher levels offer technical assistance, facilitate, fund, and inform local and regional efforts
- Comprehensive approach to economic development
- Joint private, public, and non-profit support, commitment, and involvement
- Effective long-range planning and implementation
- Often weak on performance measures and evaluation (which is not unusual)

2. Asset-Based Development in Maine. Asset-based development refers to initiatives that build directly upon a region's competitive advantage to create economic opportunity. Examples of Maine's unique and marketable assets and examples of Maine initiatives that are asset-based were reviewed and discussed.

**Facilitated Discussion** - Sue Inches, Frank O'Hara:  
**Draft Concept Proposal (see attached) and Facilitated Discussion**

Sue and Frank described the three essential elements of their draft concept proposal as:

1. Empower regions through effective, locally-based Q of P planning and implementation;
2. Consolidate Q of P-related state programs under one roof;
3. Establish an oversight council or other mechanism.

Martha Freeman observed that in order for Maine people to enjoy prosperity in the future, we can't keep trying to hold on all our old ways of doing things.

The Council discussed various aspects and approaches related to the draft concept proposal. It was discussed that Quality of Place is a key economic asset for Maine; that Maine has tried numerous economic development strategies, many based on industrial-era principles, with little evaluation of results. Recent "creative economy" efforts have helped lay groundwork for this Quality of Place effort. Maine's finance and tax structure (except property tax) is too centralized presently to support regionalized planning/investment. A lot is going on at the local level, joint projects, but there is a problem sharing information/communication about these efforts.

The Council discussed the merits and need for organizational change vs. functional change; as well as the need for an asset basis for investment to be tied into the economic development structure. The pros and cons were explored of creating a new regional process vs. using existing regional entities. An approach where the State identifies overall goals and assets and the regions define what their piece looks like was discussed. Regional strategies, to be effective, will need implementation capacity and resources. Is the State organized to support effective regional efforts? Once a regional plan exists and is approved, the Legislature should require that state agencies provide adequate funds and authority to the region for implementation.

**Moving Forward**

The Council Chair asked the Council if it wanted staff to bring ideas and options, based on today's discussion, back to the next Council meeting. The Council agreed that it would like staff to bring: a) ideas for restructuring State government to support asset-based Quality of Place efforts, and b) options for regional planning and implementation efforts.

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