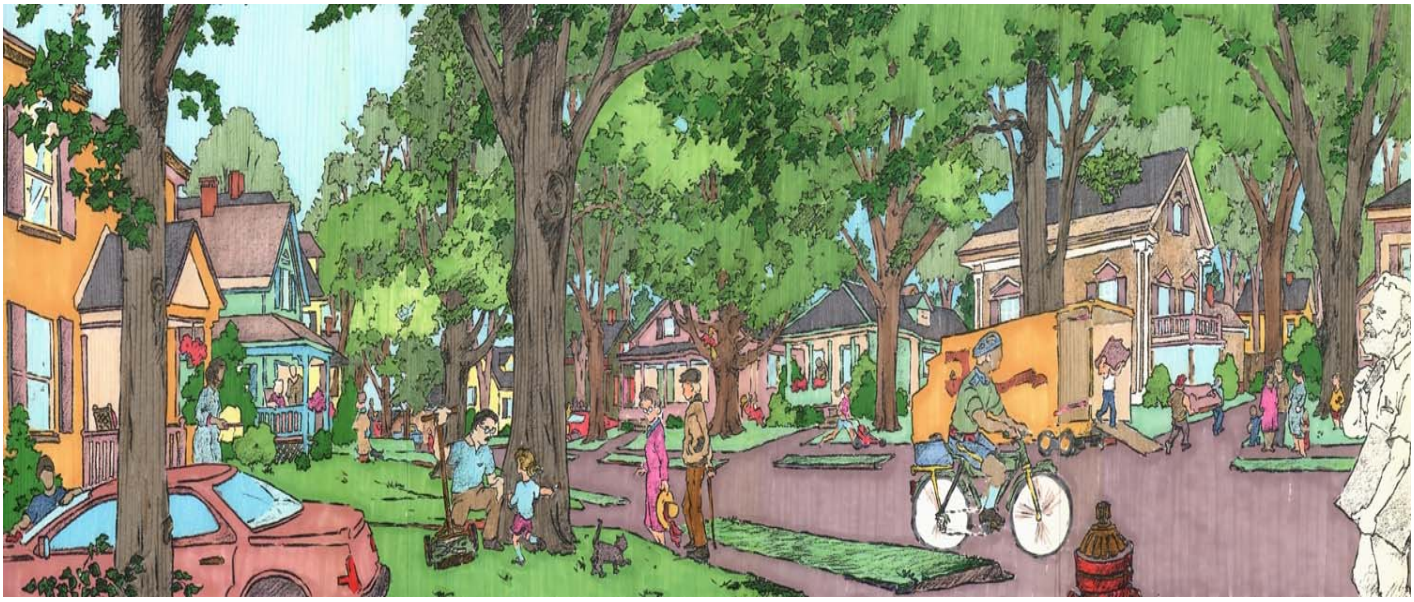
WE HAVE A CHOICE



Report to the
Joint Standing Committee on Natural Resources
to
Evaluate Maine's Growth Management Program

February 2003

It is the mission of the State Planning Office to provide the information, analyses, and guidance decision-makers need to make informed decisions about Maine's economy, resources, and governance.

The Maine State Planning Office is directed by the Legislature to develop state policies that promote a balance between economic growth and natural resource conservation. In keeping with this overarching goal, the Community Planning & Investment Program works to foster the health of Maine's service centers, downtowns, and traditional villages that encourage compact development, rather than sprawling development that impacts wetlands, wildlife habitat, water quality, farmlands, and working forests.

This report is provided to the joint standing committee of the Legislature having jurisdiction over natural resource matters in accordance with 30-A MRSA §4331.

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"There is no finer creation than the New England village. It is testament to the livable community — a community of neighborhoods, churches, shops and town hall. It is testament, too, to the countryside that surrounds it. The contrast between village and countryside in Maine is as crisp as a fresh apple, picked on a fine fall day. We savor both."

Angus S. King, Jr., 1997

ACKNOWLEDGEMENTS

No one agency or level of government is solely responsible for land use planning. This report looks broadly at state, regional, and local actions that support smart growth in Maine. The accomplishments contained herein are not just those of the State Planning Office, but of many individuals and organizations in the public, private, and non-profit sectors who have invested countless hours advancing the goals contained herein. Their efforts have been critical to what success has been achieved.

For identifying the key strategies that are the basis for the State's approach to managing land use in Maine today, we would like to thank the Commissioners and designees of the ten state agencies that, along with the State Planning Office, comprised Governor King's Smart Growth Sub-cabinet. Their approach is strategic and seeks to assure a strong rate of return on public investment, a renewed commitment to environmental stewardship, and stepped up efforts to build and strengthen community.

Department of Administrative & Financial Services
Department of Agriculture, Food & Rural Resources
Department of Conservation
Department of Economic & Community Development
Department of Education
Department of Environmental Protection
Maine State Housing Authority
Department of Inland Fisheries & Wildlife
Department of Marine Resources
Department of Transportation

In addition, we would like to recognize those members of the Smart Growth Coordinating Committee who reviewed and helped refine the recommendations in this report.

Finally, we would be remiss if we did not single out Evan Richert, former Director of the State Planning Office, without whom "sprawl" would be just another word.

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KEY FINDINGS

A. No one entity can achieve the State's goals. No one agency or level of government (or even government by itself) is able to achieve the goals of the Act alone. They are far reaching in scope and provide direction to the planning and regulatory actions of all state and municipal agencies affecting natural resource management, land use, and development. The State Planning Office's statutory role is to coordinate and facilitate these groups of diverse interests and resources. The Office administers the Community Planning & Investment Program and is the lead agency charged with implementing Maine's Smart Growth Initiative. The Office has found valuable partners in the public and nonprofit and even private sectors. Indeed recognizing the role that developers, homebuilders, and other private businesses have in influencing patterns of development, the State's smart growth strategies rely on the power of the marketplace for achieving its desired results. Whether exploring interconnections and unintended consequences of policy and investment decisions or in simply furnishing one good galvanizing idea, all partners need to be actively involved in Maine's smart growth efforts.

B. Sprawl is not linear. Addressing sprawl and encouraging more fiscally-efficient and environmentally-responsible community preservation is a complex and challenging effort. Over the years, leaders in the field have come to recognize that there is *no silver bullet* that will bring about smart growth. Success is far more likely to be achieved through a series of smaller, logically-coordinated efforts than by a single-purpose, simplistic strategy. This multifaceted response will require a change in the way we view the problem; from one that is linear to one that considers the entire, interconnected structure; a "systems thinking" approach. Imagine a water balloon. If one squeezes a water balloon in one place, the water does not disappear – the balloon simply bulges in another place. The same is true in land use. Consider what happens if a town designates specific rural areas where development is discouraged, then public policies (like tax policies or environmental regulations) or public investments (like an industrial park, a sewer line extension, or construction of a school) undermine that effort by encouraging development in the very area the community is trying to direct growth away from. Maine must approach this problem with coordination across disciplines and geographic and organizational boundaries, with an eye to multiple layers of impacts.

C. We lack data to measure success. There is a systemic lack of data and constraints on our ability to collect them. Over the past four years, SPO has worked with municipalities, regional entities, and other state agencies to revamp policies and programs but as yet is not been able to document the full impact of these decisions. The Smart Growth Coordinating Committee established livable community indicators and the Office identified outcome measures to track development and state investments. Yet, these are very broad measures and results will only emerge over a long period of time. Finding additional ways to gauge success in the interim is important to assure that the State's efforts are effective and to identify needed adjustments or changes in approach as efforts progress. If the State cannot measure the impacts of its decisions, agencies cannot respond effectively.

D. Resources are stretched. Over the years, reduction in financial support has limited what the Program could achieve. This is particularly true in regard to support for regional councils and other regional planning organizations, grants to communities, funding for program staff, and

research and technical assistance budgets. The State Planning Office's prominent focus on smart growth and on state investment policy over the past six years has increased the demands that are being made on the Program, taking resources from traditional tasks such as reviewing municipal plans and providing technical assistance. Delayed comprehensive plan reviews have provoked legitimate customer service complaints. The Program is finding it increasingly difficult to meet the expectations of its various partners. In addition, the other state departments and agencies that support smart growth also face resource limitations. And the State's fiscal situation will not permit new General Fund resources.

KEY ACTIONS AND RECOMMENDATIONS

The following are nine priority areas for action by the State Planning Office and its partners for the next four years. Each area alone represents a significant commitment of resources and staff time. In these times of diminishing resources, the State Planning Office is cognizant of the need to be strategic. It will work with the agencies and departments who help implement the State's Smart Growth Initiative to identify where the State can achieve the greatest impact for its investment.

1. Support collaborative forums of smart growth interests. Continue to work with public, private, and nonprofit groups to bring and keep multiple interests involved in the pursuit of smart growth principles and to continually refine strategies to achieve the goals. To this end, the State Planning Office will:

- staff and support the efforts of the Community Preservation Advisory Committee;
- staff and coordinate the Smart Growth Coordinating Committee; and
- involve groups that bring together people who represent multiple interests like Grow*Smart* Maine, Friends of Mid-coast Maine, and EcoEco.

2. Evaluate Tax Reform Options. Evaluate tax reform proposals to assess their impact on sprawl. To this end, the State Planning Office will use the following criteria to evaluate forthcoming proposals for restructuring Maine's taxation system and suggest ways to achieve desired ends.[1]

Does the proposal…

- relieve service centers?
- encourage investment in service centers?
- protect at-risk properties from rapidly escalating values?
- encourage investment in locally-designated growth areas?
- provide incentives for regional tax base sharing and land use management[2]?
- allow towns to assess land differently in growth areas and rural areas to encourage appropriate uses in those areas?

[1] This may require changes to statute and/or the Maine Constitution.
[2] Land use management or land management includes planning, regulation, investment, and other strategies.

3. Coordinate Planning and Investment. Work with state, regional, and local partners to make service centers attractive and affordable places to live so they will be more likely to retain and attract residents. To this end, the State Planning Office will:

- foster integrated state agency capital and program planning that respects regional and local smart growth efforts as well as state programmatic needs;
- offer strategies for land management and capital investment that stimulate desired regional growth patterns and preserve community character; and
- encourage shared public and private planning and investment at the local level to create the quality of investment that neither sector, alone, can afford.

4. Plan for Local Street and Infrastructure Investment. The State Planning Office will work with the Maine Department of Transportation and other agencies to establish a framework and technical assistance for local street network platting and capital investment for infrastructure that supports livable, compact development patterns.

5. Optimize School Construction Funds. The State Planning Office will continue to work with the Board and Department of Education to invest state school construction funds in a way that they are an incentive for community preservation and smart growth.

The goal of these efforts is to help ensure that:

- schools in service centers are of a quality to retain and attract residents and businesses;
- before state funds are spent to provide new capacity in surrounding suburbanizing communities, the option to utilize any excess capacity in service center schools is seriously considered;[3] and
- new schools in service centers are sited and constructed so as to maximize the option of students walking, bicycling, or using public transportation systems to get to school.

6. Focus Environmental Regulation. Assure that environmental regulations do not have the unintended consequence of driving development outward. To this end, the State Planning Office will continue to work with the state's natural resource agencies to enhance the current policy framework; moving from piecemeal regulation to one that considers multiple resources simultaneously.

7. Provide Housing Choices. Market studies show that many people want to live in traditional, compact neighborhoods within walking distance of services and facilities. What's more, many residents cannot afford suburban, large-lot subdivisions which prevail in many towns today. To that end, the State Planning Office will:

- continue to provide tools (including incentives) that Maine communities can use to support development of livable, affordable neighborhoods; and
- undertake further market research to evaluate housing options and mechanisms that not only meet the needs and demands of homebuyers, but also meet community goals for compact, efficient growth over the long term.

[3] This may require changes to statute and/or the Maine Constitution.

8. Build Capacity to Measure Outcomes of Smart Growth Efforts. There are some promising initiatives that should be evaluated to determine whether to pursue them further. This requires good data. To that end, the State Planning will continue to design and build systems to measure the success of smart growth efforts so that the next evaluation can be more quantitative by:

- working with partner state agencies to build data collection methods necessary to update *Indicators of Livable Communities* every two years;
- completing pilots and developing systems to track the location of new development and state capital investment;
- establishing measures to evaluate the impact of smart growth efforts on regional growth patterns; and
- continuing to work with communities to build bolder plans that contain benchmarks to gauge interim success and to monitor progress towards desired outcomes.

9. Set Priorities. A tremendous amount of progress has been made over the last four years, yet significant effort lies before us. Given resource limitations, it is essential that the State Planning Office carefully selects where to invest its limited resources over the next four years to assure continued progress. Over the coming months, the State Planning Office will review the recommendations contained herein with its partners to establish short, intermediate, and long-term priorities. As part of its efforts to address resource limitations, the State Planning Office will also:

- work with the Smart Growth Coordinating Committee to create a new strategic plan that sets priorities for the actions and recommendations in this report;
- identify the most strategic efforts to attain desired outcomes and consider eliminating or setting aside those efforts that are less closely tied to achieving them or can be postponed;
- explore new systems for the delivery of services;
- find partners to take on a greater role in some areas; and
- secure additional non-General Fund resources to support important efforts.

For detailed recommendations, see the GOALS ASSESSMENT section of this report.

Watershed Events 1999-2002

Smart Growth Legislation: The 119th and 120th Legislatures enacted substantive pieces of legislation setting the stage for much of the State's effort to combat sprawl. Of particular note was 1) the legislative mandate to locate state office buildings and state growth-related capital investments in service centers and designated growth areas in towns with adopted comprehensive plans that are consistent with state goals; and 2) the establishment of preferences in grant and investment programs to assist municipalities with implementing their growth management programs.

Access Management: The Legislature endorsed and the Maine Department of Transportation implemented an access management strategy to control unlimited access to state highways, discourage development sprawl, and protect public investment in roadway capacity.

Beginning with Habitat: This initiative uses geographic information technology to integrate information about wildlife and other natural resources into land use planning and represents a sea-change in the way the State provides information on Maine's natural heritage to towns and other organizations. For the first time, large blocks of undeveloped lands, wildlife corridors, and significant habitat are mapped in relation to development patterns so that they may be incorporated into local planning decisions.

Community Preservation Advisory Committee: Three legislative task forces recommended that there be an ongoing entity to advise the Governor, the Legislature, and the State Planning Office on matters relating to sprawl. The 120th Legislature established the Community Preservation Advisory Committee, which began meeting in October 2002.

Consolidation of Local Services: As of the close of the evaluation period, a number of conversations around consolidation are taking place. The Maine Municipal Association has an incentive for regionalization in its citizen-initiated tax reform proposal. Legislators have introduced bills around the issue for consideration by the 121st Legislature. Local officials in Falmouth, Cumberland, North Yarmouth, Yarmouth, and Freeport are discussing how to consolidate public services such as police, dispatch, planning, recreation, legal, and risk management services. Towns in the Penobscot Valley are researching ways to more effectively combine services. The financial and land use impacts of these efforts could be significant.

Extended Communities: To set the stage for improved, integrated transportation and economic development, and natural resource planning by both regional and state agencies, the State Planning Office and the regional councils identified 36 extended communities that define the larger geographic areas within which today's residents live, work, shop, and play. Each extended community includes one or more "urban" service center, surrounded by several communities that are largely suburban in character, and a group of towns that still are predominantly rural in economy, character, and landscape. This typology offers a regional framework within which to explore and, potentially, manage land use, settlement patterns, transportation systems, infrastructure, and natural resource protection.

Governor's Sprawl Sub-cabinet: In 1999, Governor King formed a sub-cabinet working group, which included Commissioners and designees from 11 state agencies, to create a 3-year action plan, *Smart Growth: The Competitive Advantage,* that identifies how state agencies can support smart growth. The sub-cabinet was the impetus for creating the Smart Growth Coordinating Committee (see below).

Grow*Smart* Maine: More than 60 leaders, representing over 20 Maine conservation, business, and public organizations, as well as interested citizens, joined together in 2002 to create a new statewide organization to organize, challenge, and inspire Maine people to reverse costly sprawling growth trends.

Maine Downtown Center: In 2001, the Legislature created the Maine Downtown Center to provide funding, training, and technical assistance to help communities revitalize their downtowns and to prevent development sprawl by fostering economic development, business growth, job creation, housing revitalization, historic preservation, and cultural enhancement in downtowns. The Center also serves as a clearinghouse for information related to downtown development.

Municipal Investment Trust Fund: The Municipal Investment Trust Fund, which was created in 1993 but not capitalized until 2001, provides low interest loans to help municipalities build infrastructure to support compact patterns of growth. In 2001, the Legislature appropriated $400,000 to the fund. Voters approved an economic development bond the following year that included an additional $4 million for the fund.

Service Center Coalition: A statewide coalition of municipal leaders from 44 service center communities has come together to articulate the needs of Maine's traditional hub communities. The coalition promotes the needs of Maine's service center communities to state elected officials and educates citizens about the importance of healthy and thriving service centers.

Smart Growth Coordinating Committee: A standing committee of the Land and Water Resources Council was established in 2002 to coordinate the State's smart growth initiatives and shepherd them to fruition. The committee developed the *Indicators for Livable Communities* report card.

Smart Growth Institute: Approximately 50 professionals and private citizens attended the two-week residential Maine Smart Growth Institute in the fall of 2001 to share the best and most up-to-date information about smart growth. The Institute helped create an understanding of the problems caused by sprawl and establish a network of professionals with common goals to manage the nature of growth across Maine's landscape.

Statewide Geographic Information System (GIS) Library: The 120th Legislature created the Maine Library of Geographic Information to establish policies and standards for the type and form of data to be placed in it and to foster ongoing coordination among public and private GIS stakeholders statewide. Maine voters authorized the first $2.3 million investment into the Geo-Library in November 2002 and the newly created Geo-Library Board began to meet the same month.

INTRODUCTION

Purpose of Report

In 1988, the Legislature envisioned a broad strategy for protecting Maine's natural resources with an emphasis on orderly growth and development in appropriate areas of each community. It created a framework for land use planning that would: protect the State's rural character, make efficient use of public services, and prevent development sprawl. It established 10 goals to provide overall direction and consistency to the planning and regulatory actions of all state and municipal agencies affecting natural resource management, land use, and development. It enacted the Planning and Land Use Regulation Act (P.L. 1989, Ch. 104; hereinafter referred to as the Act).

The 1994 amendment of the Act [30-A MRSA §4301 et seq] confirmed the State's commitment to and recognition of the importance of good, locally-driven planning and management of growth. In support of those efforts, the Legislature directed the Growth Management Program (now known as the Community Planning & Investment Program, hereinafter referred to as the Program[4]) to evaluate the State's effectiveness in achieving the goals of the Act and to support ongoing improvement of the Program (see APPENDIX A for the statutory requirements for the evaluation).

During 1999-2001, the Legislature established three task forces to review growth management laws with the goal of making them more responsive to sprawl:

- Task Force on State Office Building Location, Other State Growth-related Capital Investments, and Patterns of Development (1999)
- Task Force to Study Growth Management (2000)
- Joint Study Committee to Study Growth Management (2001)

Each of these task forces recommended legislation related to various aspects of the Program, specifically to focus on sprawl issues. In particular, each task force acknowledged three structural barriers to addressing sprawl: 1) Maine's taxation system, which drives individual and municipal decisions; 2) fragmentation of government and lack of effective regional mechanisms; and 3) the need for an ongoing interdisciplinary advisory committee.

Since 1999, the Legislature has amended the Act numerous times (see APPENDIX B for a summary of smart growth legislation). The result has been a greater emphasis on promoting orderly growth and development and a clarification of the State's role in ensuring that this occurs. In 2000, the Legislature provided $1.7 million in one-time funding for the Smart Growth Initiative administered by the State Planning Office. In 2002, it established a standing body, the Community Preservation Advisory Committee, to advise the Legislature, Governor, State

[4] The Program is housed at the State Planning Office, hereinafter referred to as SPO or the Office.

Planning Office, and other state agencies on issues related to land use, sprawl, and community preservation.

This report provides information so that legislators, state agencies, and citizens can assess the State's effectiveness in promoting orderly growth, preventing development sprawl, and achieving the Act's other goals as they relate to these.

Criteria

The Act calls for an objective and, where possible, quantitative focus on its goals. It directs the Office to establish criteria and a baseline of current conditions against which to measure future progress. For this evaluation, SPO relies on a combination of outcomes, indicators, and outputs.

The Office identified three outcome measures to evaluate the State's effectiveness in "promoting orderly growth and development:"

1. population growth of service centers
2. location of new development
3. location of state capital investment

SPO relies on census data for the first measure and has established a baseline for it. The Office is developing tracking systems for the second and third outcomes and will continue to work to establish baselines for use in future evaluations.

The evaluation also draws on the 22 indicators of livable communities developed by the Smart Growth Coordinating Committee. These indicators serve to define what *smart growth* is and to track and monitor the accomplishments of the Smart Growth Initiative.

Finally, a series of outputs quantify activities over the evaluation period – a measure of the State's level of effort over the four years.

Public Input

The Legislature also directs the Office to incorporate opportunities for public input and comment into the evaluation process. SPO solicited public input in two stages; first with assessing the effectiveness of the Program to date and determining how effectiveness should be measured, and second, with refining future strategies.

As part of this evaluation, SPO surveyed 1200 state, regional, local, private, and nonprofit representatives with a professional interest in the Program. The purpose of the survey was to solicit public input and comment into the evaluation process in two ways:

1. to seek public opinion on the effectiveness of the Program in achieving its purpose and statutory goals; and
2. to obtain public input on what criteria the Office should use to evaluate the effectiveness of the Program in achieving its purpose and statutory goals.

SPO received 149 responses with valuable suggestions (see APPENDIX C for a copy of the survey instrument and APPENDIX D for an analysis of results).

Aided by the survey responses, SPO compiled a series of recommendations to be included in the report. We asked the members of the Smart Growth Coordinating Committee to help refine them. In addition, SPO posted the recommendations on its web site for a 10-day period and asked for public input on where we should concentrate our efforts. Finally, SPO posted a draft of this report to its website and asked for general comments.

The input helped SPO frame this evaluation and will help those it conducts in the future. It also provided some excellent feedback on improvements that can be made in the program administration and service delivery.

The input does not stop with the submission of this report. SPO will continue to confer with its state agency partners, regional councils, and municipal customers in implementing the Community Planning & Investment Program and the Smart Growth Initiative.

Periodic Reports

Finally, the Act requires an evaluation every four years. In February 1999, the Office submitted *Continuing Challenges and Growing Opportunities* to the Legislature's Natural Resources Committee, which was the first evaluation under the Act, as amended. That report was the genesis for significant change in the Program and to state policies that affect the State's ability to achieve the goals of the Act. This report contains an analysis of the State's progress in implementing the 1999 recommendations.

Structure of the 2003 Report

This report evaluates progress made toward the goals of the Act based on specific evaluation criteria, provides an update on program activities, documents the accomplishments made since 1999, and offers recommendations for the future.

We have segmented the report in three main parts:

1) **Evaluation Criteria**: a description of the outcomes, indicators, and outputs that can be used to evaluate progress toward the goals;
2) **Program Update**: a review of program activities (grants, consistency of local comprehensive plans, and smart growth initiatives); and
3) **Progress on Goals**: a breakdown of accomplishments and recommendations by goal.

BACKGROUND

Impact of Growth

Maine is losing its rural character. Vacant downtown buildings are common in many Maine cities. Children can no longer walk to neighborhood schools. Once residential streets are clogged with commuter traffic. Community post offices and stores are being located in strip malls. Farms are being abandoned. Forestlands are changing hands and becoming fragmented. Coastal communities are bursting at the seams. We are losing much of what is good about Maine. We are losing it to suburban sprawl. And not just in southern Maine – it is happening in central, western, and coastal Maine, too, and even in areas of northern Maine around established centers.[5] The facts speak for themselves.

- Portland is the 9th fastest growing metropolitan area in the nation.[6]
- Between 1970-1990, land development in Maine occurred at four times the rate that population increased.[7]
- Even in a period of relatively slow growth (compared with the pace of the 1980s), upwards of 4,000 new housing units and hundreds of thousands of square feet of commercial and industrial space are being added annually in Maine.[8]
- Over the past five years, more than 5 million acres of the State's commercial timberlands has changed hands representing almost 20% of the State's total land area.[9]
- The percent of Maine's population that lives in service center communities has declined to 44% of the State's population (down from 59% in 1960).[10]
- More than half of Mainers never walk to services or shops from their homes.[11]
- Nearly one of every two Mainers lives near the coast, while over six million people visit each year.[12]

And the cost to service shifting populations with new roads, schools, and emergency services is enormous. In the state budget, ***sprawl costs more than $50 million per year*** in duplicative services (school buses, new schools, roads) and it costs municipalities millions more.[13]

Many fear the inevitable. And the trends are not encouraging. As former SPO Director Evan Richert calculated,

> ***"At the present rate, land consumed by development will double again by 2010 and by 2020 much of Maine south of Androscoggin and Sagadahoc counties will look and act like the ring roads around Boston."***

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[5] *Livable Communities*: A proposal for addressing suburban sprawl, Prepared by the Maine State Planning Office, fall 1998.
[6] Land and Water Resources Council. *Indicators of Livable Communities: A report on smart growth and the impact of land use decisions on Maine's communities, environment, and countryside*, January 2002, p.i.
[7] Ibid.
[8] Maine State Planning Office, *2000 Strategic Plan*, p. 14.
[9] Maine State Planning Office *2002 Strategic Plan*, p. 14.
[10] *Indicators of Livable Communities*, p.2.
[11] *The Maine Survey: Recreational Site*. Prepared for the State Planning Office by Market Decisions, Inc., November 2002.
[12] Maine Coastal Program website, http://www.state.me.us/mcp/about_mcp.html.
[13] *Indicators of Livable Communities*, p. i.

But unlike Rte 128 and the Massachusetts commuter corridor, *we have a choice*. We can accommodate growth and development while protecting our natural resources. We can protect what's good about Maine's towns –the village centers and the open space around them, the safe neighborhoods, the quiet streets – and still thrive economically.

But time is not on our side. According to experts, we have about 15 years left before we will be unable to reverse the trends of sprawling patterns of development. Ironically, experiences elsewhere, such as in Oregon, show that it takes about 15 years before strategies to combat sprawl begin to have their intended effect. We can avoid becoming a suburb of Boston, but we have to act swiftly and decisively. We must continue what we have started and more.

History of Growth Management Program

The Growth Management Program traditionally has been a local assistance program, assisting towns and cities with developing local comprehensive plans and land use ordinances and reviewing those plans for consistency with the 10 statutory goals.

Local growth management has achieved some notable successes such as:

- Preserving natural resources
- Identifying areas suitable for economic development
- Improving codes enforcement
- Preserving highway capacity
- Expanding waterfront access
- Helping frame local land use issues for community discussion
- Spawning a wide range of local, "grass roots" planning activities and working groups to implement various strategies in comprehensive plans

The voluntary approach to municipal participation has achieved positive results and should continue.

Nevertheless, in its 1999 evaluation, *Continuing Challenges and Growing Opportunities*, the State Planning Office concluded that local planning efforts alone were insufficient. Growth patterns and their impacts often occur and must be addressed on a regional basis. What's more state regulations, policies, and investments unwittingly discourage orderly growth and efficient use of municipal services. It was apparent that public investment (state, municipal, and federal) needed to support carefully planned growth rather than simply respond to the impacts of growth and development.

Over the past four years, SPO has continued assisting towns, but has also redirected staff resources to promote regional coordination and multi-town approaches to planning and to identify and change state policies that work against effective local planning or inadvertently contribute to sprawling patterns of development. Over that time it was guided by four principles.

Guiding Principles

1. That individuals be free to choose where to live.

2. That individuals bear the costs of their decisions.

3. That healthy places do not die.

4. That developers can be allies and partners in implementing public policy.

The Approach[14]

We already have a good deal of land use regulation in place. But sprawl, which by its nature spills development over municipal boundaries, is a regional phenomenon. Our land use and environmental laws were not designed to address it. These laws are either strictly local or they focus on specific sites or resources, not general patterns of development.

The path to smarter growth that Maine selected does not rely on more regulation. Maine isn't ready to embrace strict land use regulation that limits growth in one area over another. And the freedom to chose to live where one wishes is too dear to us all. But the twin to this principle is that we should be willing, individually, to bear the costs of our individual decisions. We should not be asking society to pay these costs. So a key component of Maine's approach is to turn to the marketplace where the costs can be properly allocated and individual decisions can be made with more complete knowledge of these costs.

The third principle is that healthy places don't die. If our villages, town centers, and cities are healthy, they will hold their own. Likewise if our rural places with their resource-based enterprises are healthy, they will be more resistant to the germs that are trying to invade them.

Lastly, we recognize that developers don't cause sprawl. They simply seek the path of least resistance in building and selling their products. If resistance in the path that leads to more traditional patterns of development (like the New England village) becomes less, and a market for them exists, they will be allies in the implementation of more responsible patterns of development.

The 5-point Strategy

From 1999-2002, SPO created and implemented a five-point approach to accomplish its statutory charge:

1. Get the State's house in order by reforming state policies, programs, and investments that encourage development sprawl;
2. Aid rural areas by bolstering the health and well-being of Maine's traditional natural resource-based industries;

[14] *Livable Communities*: A proposal for addressing suburban sprawl, Prepared by the Maine State Planning Office, Fall 1998.

3. Strengthen service center communities;
4. Provide relief to suburbanizing communities; and
5. Support the development of traditional, compact, Great American Neighborhoods.

The 5-part package of policy and program initiatives, in more detail, looks like this:

Get the State's house in order by:
- using state capital investment to support "smart growth"
- identifying and removing hidden subsidies of sprawl in state funding formulas
- enhancing regulations so they don't push development outward

Aid rural areas by bolstering the health and well-being of Maine's traditional natural resource-based industries by:
- regarding them as businesses and assisting them accordingly
- buying or leasing development rights
- strengthening the right-to-farm law
- taxing these industries at current use and reimbursing towns for lost revenue
- supporting research and development for greater value added

Strengthen service centers by:
- supporting the "Downtown" initiative
- expanding home ownership in centers
- shifting a fair share of costs of providing regional services to the region
- allowing flexible taxation to spur development

Provide relief to suburbanizing communities by:
- emboldening local comprehensive plans to protect rural areas and direct most development to growth areas
- encouraging adoption of strategies that require new arrivals pay a fairer share of costs
- encouraging communities to use their local authority to direct growth in less expensive ways

Supporting the development of traditional, compact, Great American Neighborhoods by:
- identifying and educating markets for traditional neighborhood development
- preparing a design manual about details of traditional neighborhood development
- preparing a handbook of model ordinances to allow traditional neighborhood development
- providing incentives for sewer and water lines

Community Planning Principles for Smart Growth

Finally, SPO incorporated smart growth principles into its work tasks. SPO developed the following smart growth principles to help guide its staff in awarding grants and providing technical assistance. The principles are part of the grant program statement, for example, to assist applicants with incorporating smart growth considerations from the start of a grant application through the public vote on the resulting plan or ordinance, to their implementation of land use management strategies.

1. Maintain Maine's historic settlement pattern of compact villages and urban centers separated by rural countryside and sustain a unique sense of place in every community by respecting local cultural and natural features.
2. Target economic and residential growth to compact, mixed-use centers in areas with existing or planned infrastructure and services at a scale appropriate for the community and region.
3. Preserve and create mixed-use, pedestrian-friendly neighborhoods that incorporate open areas, landscaping and other amenities which enhance livability.
4. Invest public funds and provide incentives and disincentives consistent with these principles.
5. Provide choice in the mode of transportation and ensure that transportation options are integrated and consistent with land use objectives.
6. Protect environmental quality and important natural and historic features of the State and preserve large areas of unfragmented wildlife habitat and undeveloped land.
7. Encourage and strengthen agriculture, forestry, fishing, and other natural resource-based enterprises and minimize conflicts of development with these industries.
8. Reinvest in service centers and in downtowns and village areas and support a diversity of viable business enterprises and housing opportunities in these areas.
9. Establish and maintain coalitions with stakeholders and engage the public in the pursuit of smart growth solutions.
10. For municipalities without significant growth pressures and/or small rural communities without substantial infrastructure, smart growth involves consideration of the above principles to the extent that they are applicable. Ensure that the development that does occur is accomplished in a manner that enhances community values, avoids incremental negative impacts, and is consistent with a sustainable and fiscally sound growth pattern.

The nature and influences of how we grow in Maine are diverse, which makes carrying out the Program a challenging one. Yet, the face of Maine's landscape in 15 years will be the result of the decisions we make today. If we don't like what is happening in our communities –sprawling patterns of development, fragmented open spaces, loss of traditional village centers and residential neighborhoods –we must make our choice. We must act now.

PURPOSE AND GOALS

30-A MRSA §4331 directs the State Planning Office to determine the effectiveness of state and local efforts to achieve the purposes and legislated goals of the Act.

Legislative Purpose

The purposes of the Act are as follows:

A: Establish in each municipality, local comprehensive planning and land use management;

B: Encourage municipalities to identify the tools and resources to effectively plan for and manage future development within their jurisdictions with a maximum of local initiative and flexibility;

C: Encourage land use ordinances, tools, and policies based on local comprehensive plans;

D: Incorporate regional considerations into local planning and decision-making so as to ensure consideration of regional needs and the regional impact of development;

E: Provide for continued direct state regulation of development proposals that occur in areas of statewide concern, that directly impact natural resources of statewide significance or that by their scale or nature otherwise affect vital state interests;

F: Encourage the widest possible involvement by the citizens of each municipality in all aspects of the planning and implementation process, in order to ensure that the plans developed by municipalities have had the benefit of citizen input.

Statutory Goals

The Legislature established a set of state goals to provide overall direction and consistency to the planning and regulatory actions of all state and municipal agencies affecting natural resource management, land use, and development as follows:

GOAL A: **Development Sprawl and Public Facilities** - To encourage orderly growth and development in appropriate areas of each community, while protecting the State's rural character, making efficient use of public services and preventing development sprawl.

GOAL B: **Capital Investment Strategy** - To plan for, finance, and develop an efficient system of public facilities and services to accommodate anticipated growth and economic development;

GOAL C: **Economic Development -** To promote an economic climate which increases job opportunities and overall economic well-being;

GOAL D: **Affordable Housing** - To encourage and promote affordable housing opportunities for all Maine citizens;

GOAL E: **Water Resources -** To protect the quality and manage the quantity of the State's water resources, including lakes, aquifers, great ponds, estuaries, rivers and coastal areas;

GOAL F: **Critical Natural Resources** - To protect the State's other critical natural resources, including without limitation, wetlands, wildlife and fisheries habitat, sand dunes, shorelands, scenic vistas and unique natural areas;

GOAL G: **Marine Resources -** To protect the State's marine resources industry, ports, and harbors from incompatible development and to promote access to the shore for commercial fishermen and the public;

GOAL H: **Agricultural and Forest Resources** - To safeguard the State's agricultural and forest resources from development which threatens those resources;

GOAL I: **Historic and Archaeological Resources -** To preserve the State's historic and archaeological resources;

GOAL J: **Recreation and Access** - To promote and protect the availability of outdoor recreation opportunities for all Maine citizens, including access to surface waters.

Regional Coordination

Coordination between communities is important in order to achieve success in reaching the planning goals established in the Act. The Act requires a regional coordination strategy as follows:

Strategy: A regional coordination strategy must be developed with other municipalities to manage shared resources and facilities, such as rivers, aquifers, transportation facilities, and others. This program must provide for consistency with the comprehensive plans of other municipalities for these resources and facilities [30-A MRSA §4326 (4)]

Evaluation and Tracking Development

The Act contains directives for evaluating effectiveness as follows.

Strategy: The office shall conduct an ongoing evaluation process to determine the effectiveness of state and local efforts to achieve the purposes and goals of the

Act. The office shall seek the assistance of other state agencies. If requested, all state agencies shall render assistance to the office in this effort. In conducting the evaluation, the office shall develop criteria that are objective, verifiable, and quantifiable. [30-A MRSA §4331]

Coastal Policies

Finally, if the municipality is a coastal community, it must also specify what approaches it will take to address the following state coastal management policies:

1. To promote the maintenance, development, and revitalization of the State's ports and harbors for fishing, transportation, and recreation;

2. To manage the marine environment and its related resources to preserve and improve the ecological integrity and diversity of marine communities and habitats, to expand our understanding of the productivity of the Gulf of Maine and coastal waters, and to enhance the economic value of the State's renewable marine resources;

3. To support shoreline development that gives preference to water-dependent uses over other uses, that promotes public access to the shoreline, and that considers the cumulative effects of development on coastal resources;

4. To discourage growth and new development in coastal areas where, because of coastal storms, flooding, landslides, or sea-level rise, it is hazardous to human health and safety;

5. To encourage and support cooperative state and municipal management of coastal resources;

6. To protect and manage critical habitats and natural areas of state and national significance, and to maintain the scenic beauty and character of the coast, even in-areas where development occurs;

7. To expand the opportunities for outdoor recreation, and to encourage appropriate coastal tourist activities and development;

8. To restore and maintain the quality of our fresh, marine, and estuarine waters to allow for the broadest possible diversity of public and private uses; and

9. To restore and maintain coastal air quality to protect the health of citizens and visitors, and to protect enjoyment of the natural beauty and maritime character of the Maine coast.

EVALUATION CRITERIA

30-A MRSA §4331(1) directs SPO to establish criteria based on the statutory goals of the Act that are objective, verifiable, and, to the extent practicable, quantifiable and to establish baselines against which to evaluate progress. It further directs the Office to evaluate the Program generally at the regional and statewide level and to compare land use development trends at the local level, especially comparing towns that have participated in the Program to towns that have not.

SPO's first priority in evaluating the effectiveness of achieving the goals of the Act is to determine what has actually changed –to focus on the *outcomes* of state, regional, and local actions.

An outcome is the actual result of our efforts – the impact on the health of our environment or on the human condition. Outcomes can also be distinguished between long-term outcomes and intermediate outcomes. Long-term outcomes are most often associated with broad goals while intermediate outcomes measure incremental progress toward the goals. The day-to-day activities that help us accomplish our outcomes can also be measured in terms of outputs. Outputs are quantifiable and reflect the level of service we provide or products we produce.

Simply put, a group of people can drive to Bangor for dinner and a movie. Our effort to drive there is our activity. Measures of that activity are our outputs and might include the amount of time to get there, gallons of gas consumed, or cost per mile driven. Arriving in Bangor is our intermediate outcome. The true outcome is having an enjoyable evening with our friends.

In terms of Smart Growth, the progression might look like this:

Activities:

- Working with state agencies to change policies and programs that promote sprawl
- Providing grants and technical assistance to municipalities

Outputs:

- Number of state policies changed to remove hidden subsidies of sprawl
- Number of towns with consistent comprehensive plans and consistent ordinances

Intermediate Outcomes

- Improved efficiencies in use of state dollars
- Changes in the location of where growth occurs (less sprawl)
- Population shifting back to service centers (less sprawl)

Long-term Outcomes

- Preservation of natural resources
- Economic vitality of communities

Indicators are also useful when dealing with complex issues. Indicators do not measure outcomes directly, but provide information from which we can reasonably draw conclusions about our outcomes. Indicators are a way to assess long-term issues (environmental protection, human health, economic conditions); to demonstrate outcomes that are comprised of many and diverse factors (community vitality); or as a surrogate for outcomes that are difficult or costly to measure (such as success of fire prevention or impacts on dispersed populations like the homeless). Indicators are not perfect measures, but they can give us an understanding of circumstances in the absence of measuring the actual outcome. For example, the amount of tip left for the waitperson in the restaurant in Bangor is an indicator of the difficult-to-measure enjoyment of a dinner out.

For this evaluation, SPO relies on a combination of intermediate outcomes, indicators, and outputs.

Outcomes

SPO has selected three intermediate outcome measures to be used in the evaluation of the program effectiveness.

1. Percent of service center communities whose population growth is at or above the statewide rate
2. Percent of new development that occurs in locally-designated growth areas
3. Percent of state capital investment that is directed to locally-designated growth areas

1. Population Shift

Maine has 76 service centers. Service center communities are areas where people congregate to work, to play, to shop, or to receive services. The Legislature established four basic criteria to identify the municipalities in Maine that serve as centers:

- Jobs to workers ratio
- Volume of jobs
- Level of retail sales
- Amount of federally-assisted housing

Consideration is also given to the geographic distribution of municipalities. In addition to large urban places that serve as primary centers like Lewiston, Bangor, and Augusta, communities that serve as small (local) centers and include rural service hubs like Dexter, Jackman, and Eastport, as well as specialized centers like Millinocket, Fort Kent, Greenville, and Fairfield are also considered service centers.

Population growth (or lack thereof) is an indicator of the health of Maine's service centers and the extent of sprawl. This measure tracks the rate of population change in service center communities compared to the overall statewide rate of population change.

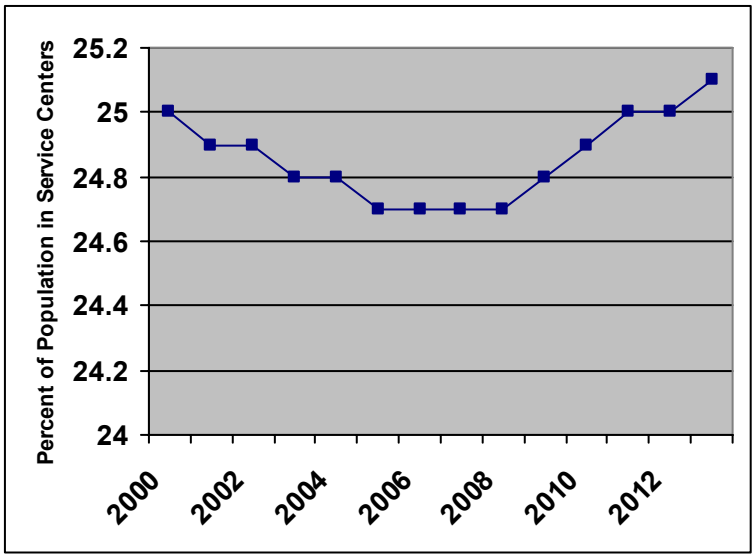

Figure 1: Population in Service Centers as a Percentage of Total Population – 2000 Baseline and Projected Trend

Since 1960, population has been moving out of service center communities, sapping the vitality of traditional downtowns and forcing the construction of new, costly infrastructure in rural areas.

From 1990-2000, Maine's overall population grew by 3.7%. Yet, only 25% of the service center towns had population growth rates at or above the statewide rate over this same period. This means service center populations are growing slower than other communities (many are losing population).

Yet, in some areas of the State, in southern and coastal Maine, for example, some communities have population growth rates as high as 20-30% over the 10 years. With a statewide growth rate of barely 4%, these high growth rates cannot be the result of new population. We can conclude therefore that population is shifting. Our analysis shows it is shifting away from service center communities to rapidly suburbanizing and rural areas.

In the immediate future (2000-2005), SPO expects the population of service center hubs to continue to decline. In the near term, changes in state policies and local and regional land use decisions will not affect the status quo. Nevertheless, they will impact new development in the future. Beyond 2005, we hope that state and local efforts to curb sprawl will have the effect of slowing or stabilizing declining populations in service centers. As efforts continue, we hope that the rate of decline will reverse into the next decade.

2. Development Patterns

SPO intends to track where new development occurs to determine the effectiveness of local plans and ordinances and of state actions. Through the comprehensive planning process, municipalities identify the areas within their bounds best suited for growth (either due to the availability of infrastructure, access to services, or apart from natural resource and other areas that the town desires to protect). These areas are known as locally-designated growth areas. Implementation of

comprehensive plans through ordinances and permitting would steer new development to those areas the town has identified as where they want growth to occur. Implementation of state policies that give preference to locally-designated growth areas will do the same.

SPO's intent is to determine whether or not new development is actually located in those areas (and conversely whether it is *not* located in protected areas).

SPO and the Maine Office of Geographic Information Systems are currently developing a methodology to track development. The method being tested would identify new development based on the assignment of E911 addresses using geographic information system (GIS) technology. Municipalities will assign a GIS code to new addresses based on general categories of use for a structure (residential, commercial, public/civic, or specialized). This method will allow us to identify the construction of new principal structures warranting an address, regardless of whether a community has a building permit system or not. Addresses for new development can then be mapped and overlaid onto a map of local growth areas. New development can thus be readily tracked as in or out of designated growth areas.

Status of Mapping

Since it was recommended in 1999, SPO has worked to establish and fund a reliable system to track the location of development. A breakthrough occurred in 2002 when the Legislature codified a plan to create the Maine Geo-Library (a statewide geographic information system) and voters approved a $2.3 million bond for its implementation. Concurrent with this larger project, SPO and the Maine Office of GIS developed and have begun piloting the methodology for tracking the location of new growth. As of year-end 2002, the software application was ready for beta testing. A steering committee to guide the pilot convened in January 2003. While participation in the tracking system will be voluntary, municipalities receiving community planning grants since 2001 have agreed to participate in the development tracking system to monitor the success of their local growth management programs. The E911 address data layer and the completion of the municipal growth area maps will enable evaluation of the efficacy of local growth management programs.

The launching of the development tracking system still depends on creation of the standards and framework of the Maine Geo-Library, which will be established during 2003, and for which bond funds will be used to match federal dollars for initial capital costs (largely a joint purchase of aerial photography with federal agencies).

3. State Capital Investment

State investments in capital projects such as roads and other transportation facilities, schools, sewer and water systems, transfer stations, fire stations, hospitals, and economic development infrastructure drive local development. Not only that, but we know that considerable state investment is spent, not to serve growing populations, but to accommodate shifting populations, often resulting in redundant capacity in schools, roads, or other infrastructure built with state funds. In 2000, the Legislature, recognizing the impact of state investments on local growth and intending to improve the efficiency with which state resources are used, directed state agencies

to give preference to projects that are in designated growth areas when providing funding, grants, or loans (30-A MRSA §4349-A).

This measure would track the location of state capital investments, again, using GIS technology. As they occur, the State would code investments and their location. It is intended that the State's accounting system would be used within a GIS module. Similar to the location of new development, a map of the location of state capital investments could be overlaid on GIS maps of locally-designated growth areas to determine whether state goals for investment are being met. SPO will work with the Department of Administrative and Financial Services and stakeholder agencies to test the feasibility of this approach.

Level of Analysis

As part of the Office's evaluation, the Legislature asked for an illustration of the impact of the Program by comparing land use development trends and patterns in a sample of municipalities that have participated in the Program with a sample of municipalities that have not.

As part of the 1999 evaluation, SPO collected data by hand for a sample of municipalities to attempt to compare 1990s development patterns in places where growth management policies had been instituted. Though the data demonstrated that little difference was discernible between municipalities that had and had not instituted growth planning measures (setting SPO on a course to stimulate "emboldening" of comprehensive plans), it also became extremely clear that a uniform, automated system needed to be created to perform such analysis in the future.

For this evaluation, SPO looked at the population growth rates of a sample of municipalities that have consistent comprehensive plans and consistent ordinances to see if there was a difference when compared to those municipalities that do not have an active growth management program. We compared two samples of 12 service center communities. There was no significant difference in population growth rates between the two sets of sample municipalities.

These are simple and unscientific comparisons and do not adequately make the kind of comparison desired. We need better data to achieve the evaluation requirements of the Act. The outcome measures that SPO identified above will meet this need when data become available.

Indicators of Livable Communities

In addition, SPO incorporates by reference the report of the Land and Water Resources Council, *Indicators of Livable Communities: A report on Smart Growth and the impact of land use decisions on Maine's communities, environment, and countryside* (see APPENDIX E for a full copy of the report).

According to the *Livable Communities* report, "We use indicators to understand the progress we are making – or failing to make – toward [Smart Growth]…The [livable communities] indicators … allow us to make a statement about how well we are encouraging land-development patterns that stimulate vitality in our communities, support productive countrysides and natural resource-

based industries, and protect Maine's environment. They do not tell the whole story, but do condense a large amount of information into a manageable narrative. By monitoring…[these indicators], we can understand how well policies, programs, and individual decisions stimulate development…that sustain and restore our resources, communities, and land…This can allow us to understand if the decisions being made are good ones or if they need to be reassessed."[15]

The livable communities' indicators serve the purpose of helping to evaluate progress toward the 10 statutory goals of the Act (see APPENDIX F for a breakdown of the 22 indicators by goal).

So what is Smart Growth?

According to the indicators of livable communities, smart growth…

…is communities planning for growth;
…is the opportunity to live in vibrant service center communities;
…is building new homes in service center communities;
…is being able to walk to local services, places, and events;
…is having outdoor recreational opportunities within your community;
…results in vital downtown business districts and village centers;
…results in economically vital service center communities;
…is maintaining and improving the infrastructure of Maine's service center communities;
…is making service center communities attractive places to live;
…results in efficient use of roads and highways;
…provides alternative modes of transport for freight and cargo;
…provides citizens with choices for travel;
…results in cleaner air;
…results in clean and healthy lakes;
…protects groundwater quality;
…results in clean and healthy rivers;
…results in clean and healthy clam flats and ocean waters;
…protects important natural places and resources;
…results in species abundance and biological diversity;
…enhances the viability of Maine's working forests;
…maintains commercial access to marine resources;
…slows the loss of productive farmland; and
…maintains timberland that supports a vital forest and paper industry.

Areas where we are doing well[16]

- The number of municipalities with adopted consistent comprehensive plans (219 in 2002)
- The percent of people purchasing basic household goods in their downtown or local village (70% in 2002)

[15] *Indicators of Livable Communities.* p-ii-iii.
[16] Indicators and data to assess them are from the *Livable Communities Indicators* report and reflect 2000 or 2001 data. For this evaluation, SPO has updated to 2002 data where they are available.

- The percent of people with outdoor recreational opportunities within walking/biking distance (59% in 2002)
- The percent of public water systems experiencing bacterial contamination (8.1%)
- The percent of Maine citizens saying it is important to them that the town they moved to have cultural and entertainment opportunities (68% in 2002)
- The average posted speed on arterial roads (45.53 mph)
- Number of passenger travel trips using alternative modes (increased by 4%)
- Percent of lakes suitable for swimming (96.2%)
- Number of public and private wells with petroleum contamination (35 down from 54 ten years ago)
- Percent of miles of rivers that support designated uses (96.4% in 2002)[17]
- Number of acres of flats closed to shellfish harvesting (157,000 down from 270,000 in 1993)
- Acres of land conserved (nearly 2 million)
- Acres of forest land certified as managed sustainably (4-fold increase)

Areas where improvements are needed[18]

- The percent of population in service center communities (44%)
- The number of new homes constructed in service center communities (25%)
- The percent of people able to walk to services or shops in their communities (27%)
- Stability of total taxable sales in primary service centers (fluctuated widely)
- Percent of freight shipped by alternative modes (10%)
- Number of berths and moorings (1,650)
- Acres of farmland (1.2 million down from 4.8 million in the 1950s)
- Loss of timberland due to development (13% decline since 1989)

The indicators of livable communities help us to assess the areas that need attention. Overall, Maine is making progress in community planning, water quality, access management, and land conservation. We have more work in strengthening service centers and downtowns, and protecting coastal resources, farms and timberlands.

Outputs

In addition to outcomes and indicators, we can assess the outputs of SPO and our partners. When taken together and sustained over time, these outputs will help the State make incremental progress towards the goals of the Act. Some of the outputs tracked for the period of this evaluation (1999-2002) are:

[17] Department of Environmental Protection, miles of rivers/streams supporting fishing and swimming.
[18] Indicators and data to assess them are from the *Livable Communities Indicators* report and reflect 2000 or 2001 data. For this evaluation, SPO has updated to 2002 data where they are available.

Grants: SPO awarded grants and funding totaling just over $2 million including:

- 43 Comprehensive Planning Grants ($602,077)
- 25 Implementation Grants ($228,447)
- 30 Comprehensive Plan Update Grants ($277,540)
- 11 Smart Growth Challenge Grants ($332,666)[19]
- 4 Great American Neighborhood Partnership Grants ($12,000)
- 3 Smart Growth Technical Assistance Grant ($95,492)
- 6 Rural Investment Pilot Grants ($84,255)[20]
- 3 Brownfield Assessment Grants ($120,000)[21]
- Funding for 11 regional councils ($325,000 annually)[22]

Comprehensive Plans: SPO conducted 72 reviews of comprehensive plans and zoning ordinances. Nine state departments actively participate in reviewing comprehensive plans.

Preferences and Targets: Seven state agencies modified 20 programs to incorporate Smart Growth preferences that resulted in, among others:

- 4 school districts choosing renovation over new construction
- 14 school districts siting new schools in residential growth areas
- 3 new state offices and two district courts locating in service center downtowns or growth areas

Technical Assistance Materials:

- *Making Schools Important to Neighborhoods Again* and *ABCs of School Site Selection*
- *Visioning Manual* to help a community conduct a successful visioning process
- *Smart Growth Toolbox* (sets of the best technical assistance materials available)
- Municipal technical assistance bulletins on a variety of development review topics
- Regional, web-based mapping service and computer generated build-out scenarios
- *Impact Fee Handbook*
- *Comprehensive Plan Update Manual*
- Electronic packages of state data to assist towns with comprehensive planning

Technical Assistance Workshops: SPO staff conducted more than 200 smart growth presentations and growth management meetings with community and civic groups, and private and professional organizations. In addition, a variety of workshops were conducted:

- (9) Community Visioning sessions
- Smart Growth Institute
- Great American Neighborhood charette
- Making Schools Important to Neighborhoods Again charette
- CEO training on smart growth
- Building Caps workshop

Management Systems: SPO staff created two databases to improve program management and enhance access to information:

- Municipal database that tracks nearly every aspect of the Program
- Searchable library database of over 4000 plans, ordinances, documents, and books

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[19] This includes $40,000 in federal coastal funds
[20] This includes $42,663 in federal coastal funds
[21] These grants are federally funded.
[22] This includes $131,000 of federal coastal funds.

Measurement Issues and Data Limitations

Establishing the criteria and tracking systems to monitor them has not been easy. It has required considerable investment of resources. But ultimately it will tell us whether our policies and programs are having their intended effect – *is growth being managed in a way that meets the Legislature's goals*?

All three of the outcome measures meet the requirements of the law. They are quantifiable. They can be tracked over time. They will allow the Office to compare towns that have participated in the Program versus those that have not. But each has limitations.

Data Limitations for Outcome Measures

- Census data are collected decennially with annual estimates. These estimates are just that – *estimates*. They are almost always retrospectively corrected when the next decennial census data are collected. This is problematic for tracking shifts in population as we have to wait 10 years to know for sure what the growth rates are.
- The system envisioned for tracking where capital investment occurs is limited to state dollars and does not include federal funds (unless they pass through the State), nor does it record local funds, which are not inconsiderable.
- Tracking where growth occurs and where state capital investments go does not tell us whether there have been changes in the patterns of development. In the future, SPO will need to develop further evaluative techniques to determine if sprawling patterns of development are reversing.
- None of the measures help us evaluate cause and effect. They help us understand if change is occurring, but they do tell us why and whether it is due to any one particular growth management strategy or due to land use planning decisions at all.

Data Limitations for Indicators

The indicators of livable communities are valuable because of the collaborative process used to establish them. Selecting what to measure is as important as the actual measurement.[23] The interagency Smart Growth Coordinating Committee, consisting of representatives from over 15 state agencies, selected the indicators and provides the data to monitor them.

- In several cases in the report, survey data were collected in lieu of existing data sets, which simply were not available. In other cases, a proxy was developed with the recommendation that in the future a more targeted indicator be utilized.[24]
- The report card is only valuable if it is maintained. It will require effort on the part of the agencies participating in the Smart Growth Coordinating Committee to collect data.

[23] *Indicators of Livable Communities*, p. iii.
[24] Ibid.

Conclusions

Are we making progress?

In 1999, the Office concluded that the State's traditional approach to land use planning, which relied exclusively on local planning, and a town-by-town approach at that, was not enough. As a result, it shifted resources to foster state and regional initiatives that would have far greater impact than local efforts alone. While it is too early to tell yet whether the program changes made over the past four years have improved land use patterns, there are promising signs:

- School children in 18 towns will have new schools in or nearby a neighborhood rather than miles from where they live.
- State workers located in three new office buildings and two district courts will contribute to the economies of the downtown areas where they are located.
- Service centers and locally-designated growth areas are now preferred locations for a score of state programs that provide funding, grants, and loans to communities.
- Strip development is diminishing through transportation access management rules that establish standards for entrances onto state arterials.
- Maine's service center communities are finding some relief for services like roads, emergency, and hospital services that they provide to visitors from surrounding towns from municipal revenue sharing funds distributed by the state under a new formula.
- Towns and cities in a number of different regions in the state are looking for ways to consolidate services as a way of reducing costs and gaining efficiencies.
- The local economies of five towns will be enhanced by their designation as Main Street Maine towns.
- Productive farmlands are being protected through targeted Land for Maine's Future program funds.
- Maine farmers have access to improved business planning and marketing assistance through the *Farms for the Future* and *Get Real Get Maine* campaigns.
- Towns and regional organizations are beginning to cooperatively develop open space and wildlife protection programs based on the Beginning with Habitat model.
- Maine now has a statewide Geo-Library that will make geographic information system mapping technology available to everyone who has access to the World Wide Web which will enhance the State's ability to track the location of state investments and the location of new development.
- Nearly 1500 residents in a number of Maine communities will have access to homes on smaller lots in traditional, walkable, mixed-use neighborhoods.

PROGRAM UPDATE

The Program has gone through many changes since its inception in 1988. The focus of the 1980s was on a town-by-town response to growth, easing of traffic congestion, preserving rural character, and land use regulation. This has evolved, both programmatically and legislatively in the 1990s to recognize key issues such as regional and state influences on growth patterns, the importance of stimulating sustainable local economies, including natural resource-based industries, and encouraging more interlocal cooperation. Nevertheless, the framework of the Planning and Land Use Regulation Act remains largely intact.

Today, the Act is administered by the State Planning Office. Six staff makes up the Community Planning & Investment Program that administers grants to municipalities to develop and implement local growth management programs. Staff provides planning technical assistance to towns and works with Maine's 11 regional councils who, with financial support from the Office, also assist communities. Finally, staff works to coordinate and foster the principles of the State's Smart Growth Initiative, develops new tools, assists towns with the designations of local growth and rural areas in their comprehensive plans, and supports state agencies with changing laws, policies, regulations, investments, and programs that subsidize sprawl.

A. Staffing Levels

Currently there are six positions in the Community Planning & Investment Program that administer grants and provide planning technical assistance to communities, administer contracts and provide support to the state's 11 regional councils, and coordinate SPO's smart growth initiatives.

Job Classifications
Program staff is classified as follows:

(1) Public Service Manager
(4) Senior Planners (3 funded by the Coastal Program)
(1) Planner II

Funding Sources for Salaries
Three positions are funded through the General Fund dollars[25]. The one-time smart growth money (General Fund) provided for a temporary staff person to help administer grants and contracts. That person worked with the staff for nearly two years in 2001-2002, but funds have since been exhausted.

The Maine Coastal Program, a federally funded program housed at SPO, funds the salaries of three Community Planning & Investment Program staff. To be true to our funding source, the federally funded positions provide assistance to coastal communities.

[25] Though this may be further reduced in FY 04-05.

Staff Workloads
Local assistance, both technical and financial, demands significant state staff time in the development and management of contracts with towns and regional councils, review of plans and growth management programs, and with specific planning guidance. A growing statewide focus on the costs of sprawl and smart growth has increased the demands that are being made on the Program. Over the past few years, SPO staff has worked extensively with other state agencies and the Legislature to identify programs, policies, and investments that subsidize sprawl; establish new systems to support growth in designated growth areas and conserve critical resources in designated rural areas; and research promising new methods to direct growth to desired locations throughout the State.

Our focus on smart growth and on state investment policy has consumed resources, redirecting some away from traditional tasks such as reviewing municipal plans and preparing new technical assistance materials. In a few cases, delayed comprehensive plan reviews have provoked legitimate customer service complaints. Work load was particularly burdensome when the Program faced a 20% reduction in staff for nearly a year (due to one staff person's extended family medical leave and an unfilled vacancy of six months, when replacement was delayed because of the hiring freeze). Though responsibilities were shifted temporarily to other reviewers, a few plans did fall through the cracks. Now that the Program is fully staffed once again, administrative procedures have been revamped and the Program has redoubled its efforts to complete reviews in a timely fashion.

Even without the unavoidable vacancies, the success of the State's Smart Growth Initiative, has made it increasingly difficult to meet the growing expectations of the various partners (local, regional, state, private, and nonprofit), particularly in the research and development of new tools and in providing technical assistance to all the communities that are interested in managing their growth and development. Recognizing the significance of this shortfall, SPO is working to identify new approaches to deliver services, make strategic adjustments in focus where appropriate, striving to moderate expectations of its partners, and find ways to leverage additional resources to maintain and improve the effectiveness of the Program.

Staff Recruitment and Retention
Program staff is extremely committed to their work and are highly motivated. Yet, as workloads increase and resources decrease, Program staff leaves. Between 1997-2001, the Program's turnover rate was 67%. In addition, the workforce is aging and more employees are eligible for retirement. At the same time, salaries for state government planners have not kept pace with the rest of the nation, or even with the municipal planning sector -- particularly for planners with five or more years of experience. SPO struggles to recruit and retain staff and delays in recruitment have added to the workload of the remaining staff. SPO has developed a workforce plan that identifies strategies to improve the quality of candidates and to facilitate the recruitment process, but it will be 6-12 months before these strategies are put into place.

B. Grants and Funding

Over the last four years the Office has offered eight types of grants to municipalities; some geared toward developing and implementing comprehensive plans and some that support smart growth initiatives, including some pilot grant programs (see APPENDIX G for a description of grants awarded over the evaluation period and APPENDIX H for a description of the projects funded with Smart Growth Challenge Grants).

Types of Community Planning & Investment Grants

- Comprehensive Planning Grants to develop comprehensive plans that are consistent with the Act.
- Implementation Grants to develop zoning or other regulatory tools that implement strategies in an adopted comprehensive plan found to be consistent with the Act.

Types of Smart Growth Grants

- Comprehensive Plan Update Grants to revise and update previously developed comprehensive plans to bring them up to date to reflect demographic and economic changes and to integrate smart growth principles to more effectively guide growth.
- Smart Growth Challenge Grants to support innovative projects that respect smart growth principles and can serve as models for other communities.
- Great American Neighborhood Partnership Grants to support joint efforts between a town and developer to explore the feasibility of developing Great American Neighborhoods.
- Smart Growth Technical Assistance Grants to prepare technical assistance materials to help address sprawl and engender smart growth.

Pilot Grants

- Rural Investment Grants to support local and regional efforts to strengthen natural resource-based industries.

Brownfields

- Federally-funded Brownfield Assessment Grants to support redevelopment of abandoned or contaminated commercial and industrial sites.

Distribution of Grant Funds, 1999-2002

Since 1999, SPO has awarded $1.75 million in planning grant funds to over 120 municipalities and regions. Because of a one-time appropriation for Smart Growth, the Office was able to dedicate additional resources for grants over the past few years. Of the total dollars awarded, 63% was for local comprehensive planning and the rest was for smart growth-related and other types of grants.

Grant Type	Number of towns/regions receiving grants[26] 1999-2002	GF Dollars[27] awarded for grants 1999-2002	FF Dollars awarded for grants 1999-2002	Total
Comprehensive Planning Grants	43	$602,077		$602,077
Implementation Grants	25	$228,447		$228,447
Comprehensive Plan Update Grants	30	$277,540		$277,540
Smart Growth Challenge Grants	11	$292,666	$40,000	$332,666
Great American Neighborhood Grants	4	$12,000		$12,000
Smart Growth Technical Assistance Grants	3	$95,492		$95,492
Rural Investment Pilot Grants	6	$41,592	$42,663	$84,255
Brownfield Assessments	3		120,000	$120,000
Total	**125**	**$1,549,814**	**$202,663**	**$1,752,477**

Table 1: Distribution of Capital Planning and Investment Grants, 1999-2002, All Funding Sources

1. General Fund Grants

SPO expended the following General Fund dollars for comprehensive planning and implementation grants over the period of the evaluation.

Community Planning & Investment Program Grant Budget
General Fund Summary FY 2000-2003

	2000	2001	2002	2003(budgeted)[28]
Comprehensive Planning Grants	$143,801	$160,320	$118,863	$131,580
Implementation Grants	$ 82,347	$146,100	$ 0	$ 0
Comprehensive Plan Update Grants	$ 0	$ 0	$ 0	$100,000
TOTAL	$226,148	$306,420	$118,863	$231,580

Table 2: General Fund Summary of Community Planning & Investment Grant Program Budget

[26] Some grants were awarded to a regional entity or to support a multi-municipal project. In these awards, the grant is only counted as one town.
[27] Includes $899,967 in funds from the one-time $1.7 million Smart Growth Initiative.
[28] The allocation of funds between the grant lines may change, depending on the number of proposals received and their "readiness" for funding.

In FY03, due to revenue shortfalls, SPO was asked to curtail funding in all areas. As a result, $75,000 was cut from the grant program. Given the approximate size of individual grants that would have been awarded, the curtailed funds would have supported 3-7 additional municipalities with community planning.

2. Smart Growth Initiative

In 2000, the Legislature made a one-time appropriation of $1.7 million in General Funds to support the State's Smart Growth Initiative. Funding supported financial and technical assistance to municipalities and regional councils and pilot programs for downtowns and alternative growth management initiatives. Unfortunately approximately $117,000 of this one-time appropriation was reclaimed to help address the state revenue shortfall.

SPO used the fund to support a variety of local and regional grants, including:

- Comprehensive Planning Grants
- Comprehensive Plan Update Grants
- Smart Growth Challenge Grants
- Smart Growth Technical Assistance Grants
- Downtown Revitalization Grants (through the Maine Downtown Center)
- regional initiatives

Funds were also used to:

- prepare technical assistance materials such as model ordinances and the Smart Growth ToolBox (a collection of documents and audiovisual materials that is housed at SPO and each of the 11 regional councils and is available for loan to the general public);
- develop strategies to guide state smart growth initiatives like farmland preservation, the Maine Geo-Library, and a model building code to encourage rehabilitation of downtown structures; and
- support development and operation of the Maine Downtown Center.
- provide training such as the Maine Smart Growth Institute and workshops on Great American Neighborhoods and their relationship to schools.

Funds were also directed to the State's 11 regional councils to provide additional support to communities in the development and adoption of emboldened comprehensive plans.

The Smart Growth Initiative also included implementing legislative changes to the Act; working with the Legislature, other state agencies, municipalities, regional councils, other regional entities, and various private and nonprofit constituents to explore smart growth policies and issues (described in other parts of this evaluation), the costs of which were absorbed by SPO.

Overall, funds were expended as follows:

Smart Growth Initiative Expenditure Categories	Expended
Project Position[29]	$108,408
Municipal Grants	$899,967
Regional Grants and Contracts	$361,398
Technical Assistance Products and Initiatives	$212,563
Budget Curtailment	$117,664
Total	$1,700,000

Table 3: Breakdown of Smart Growth Initiative Funding

3. Future Funding Needs

There is more demand for grants than the Program can provide. At current funding levels, all towns will not be offered both their planning and implementation grants until 2036. To fund every community would take approximately $5 million.

Future Potential Local Financial Assistance Need (In Dollars)

Type of Community	Planning Grants	# of Towns[30]	Implementation Grants	# of Towns	Total Funds Needed
Service Centers	$69,210	3	$372,581	30	$441,791
Other Urban Places	$22,894	1	$108,169	9	$131,063
Fast Growing Towns	$681,773	41	$1,115,625	132	$1,797,398
Slow Growing Towns	$1,174,240	64	$1,434,375	109	$2,608,615
Total Projected Need	**$1,948,117**	**109**	**$3,030,750**	**280**	**$4,978,867**

Table 4: Funding Projections to Provide all Municipalities with planning and implementation grants

4. Regional Councils

The Office contracts with Maine's 11 regional councils to deliver land use technical assistance to municipal officials. These agencies help municipalities coordinate their role in regional growth patterns; prepare competitive grant applications for comprehensive planning, implementation, and pilot grants; and provide front-line resources to address basic planning needs.

Since the establishment of the regional council network in the 1970s, state support of the councils has been maintained in only a marginal manner. The State Planning Office and departments of Economic & Community Development and Transportation all provide annual funding for local outreach and technical assistance which, pieced together, is a small but important component of the regional councils' budgets. Flat funding, lessened in value by

[29] This was a 2-year temporary position within the Program to help administer grants.
[30] Since 1994, the Program has not offered the approximately 38 unorganized townships and plantations financial assistance.

inflation and a large number of state-required tasks, makes the councils' efforts less effective than they might otherwise be.

While three legislative task forces charged with examining the State's growth management efforts recognized the need to bolster the regional council network, no additional funds have been made available other than a portion of the one-time $1.7 million Smart Growth allocation in FY01. Frequently, their funding is the first to be cut. For example, the regional councils are envisioned to perform a critical role in the development of Maine's new Geo-Library. However, when funds were insufficient, council funding was eliminated.

More detail on annual funding follows:

- Land Use Planning: The State Planning Office supports all 11 regional councils with an annual sum of $194,000 in state funds, supplemented with $131,000 in federal coastal funds, to deliver a part-time program of land use technical assistance and regional planning. The funding allows for approximately one-third of a planner's time on average per region. This is down from funding one full-time position when the Program started.
- Transportation: The Department of Transportation provides 9 of the 11 regional councils with funding to support the Regional Transportation Advisory Committees, spending about $245,000 per year. This is insufficient to do the work that needs to be done.
- Community Development: The Department of Economic & Community Development provides 10 of the 11 regional councils with technical assistance grants to assist municipalities with applying for Community Development Block Grants.
- Consolidated Contract: The Office and the Department of Transportation coordinate their joint contract with the councils annually to maximize opportunity for shared funding of regional planning and technical assistance.
- Training: The Office paid for the regional council technical assistance coordinators to attend the two-week Smart Growth Institute in 2001. This effort was made possible by the one-time legislative appropriation for the Smart Growth Initiative, supplemented by some General and coastal funds. The Office continues to invest in the creation of manuals and publications to facilitate the councils' abilities to provide cost-effective, quality technical assistance to towns.

Lack of involvement of regional organizations in planning for protection of habitat and other resources and in the creation, expansion, and maintenance of infrastructure has severely limited the Program's effectiveness in planning for growth and protection of resources that cross municipal boundaries and in encouraging and supporting the development and use of multi-municipal and regional facilities and services. In addition, funding cutbacks have severely restricted the regional councils' abilities to provide continuing education about land use issues, which is necessary to implement the goals of the Act.

C. Consistency

In accordance with state statute (Title 30-A MRSA §4347-A), the Office reviews comprehensive plans and growth management programs for consistency with the goals and guidelines of the Act. Municipalities voluntarily submit their comprehensive plans and growth management programs to the Office for review. As the lead agency, the Office coordinates its findings with the input of nine other state agencies. Each agency, including the Office, reviews the comprehensive plan or growth management program for consistency with appropriate state and federal rules and regulations, as well as agency policies and programs. (The Office relies on two administrative rules: 1) Chapter 202 - Comprehensive Plan Review Criteria Rule and 2) Chapter 205 - Procedural Rule for Submittal and Review of Municipal Growth Management Programs for a Certificate of Consistency.) Municipalities are provided with detailed explanations for any portion of their plan or program that is found to be "inconsistent" with the Act. Many agencies provide additional suggestions for towns interested in strengthening their plans or programs.

From 1999-2002, SPO reviewed 72 local planning documents as follows:

	Number of Documents Reviewed	**Documents Found to be Consistent**	
		Number	***Percentage***
Comprehensive Plans	54	34	63%
Zoning Ordinances	18	13	73%

Table 5: Local Planning Documents Reviewed by SPO, 1999-2002

Nine departments and agencies participate in reviewing comprehensive plans submitted to the Office, including the departments of Agriculture Food and Rural Resources, Conservation (Maine Forest Service, Natural Areas Program, Maine Geological Survey, and Parks and Recreation divisions), Environmental Protection (Lakes and Shoreland Zoning divisions), Human Services (Drinking Water Program), Inland Fisheries & Wildlife, Marine Resources, and Transportation. The Maine Historic Preservation Commission and Maine State Housing Authority also review plans.

In 2001, the Office began to conduct start-up presentations with all grantees. The presentations allowed SPO to describe the State's expectations, clarify issues, and provide the Office with an opportunity to connect the appropriate state agency with the local planning committee to facilitate the planning process. While resources are limited, most agencies have been very cooperative in working with the Office to improve service delivery to local planning committees.

Through the Maine Office of Geographic Information Systems and other agencies, the State can now provide digital data to municipalities and regions to support local comprehensive planning. Beginning in October 2002, municipalities are provided a compact disc containing a composite of state agency data. The agencies continue to work together to make this product as useful as possible, including making it web accessible. Improving the data accessibility and delivering technical assistance material to local planning committees are high priorities for 2003.

1. Consistency Status of Local Plans and Ordinances

The following table shows the consistency status of all Maine communities with regard to their comprehensive plans and zoning ordinances.

	Number Found Consistent	**Number Found Inconsistent**	**Number Adopted**
Comprehensive Plans	219	81	202
Zoning Ordinances[31]	36	30	n/a

Table 6: Status of Municipalities' Comprehensive Plans and Zoning Ordinances

2. Certified Growth Management Programs

Towns with an adopted consistent comprehensive plan, a set of land use ordinances that are consistent with the Plan and with state law, and a 10-year capital improvement program can request certification. The Office reviews the town's program to determine whether it is consistent with the procedures, goals, and guidelines established in the law. Towns with Certified Local Growth Management Programs are rewarded for their effort with preferences for state grants and funding.

Currently, five Aroostook County towns have Certified Growth Management Programs. At least another 25 communities are eligible for certification, but have not applied to be certified.

The Office believes that more communities will seek certification as more state programs provide recognition and incentives. The Office continues to work with state agencies to create additional incentives and preferences in their programs for communities with Certified Growth Management Programs. Recent funding of the Municipal Investment Trust Fund should help provide a significant incentive since communities with Certified Growth Management Programs are eligible to receive grants from the Trust Fund, while other communities are eligible for loans only. Greater capitalization of this fund will increase the opportunity to offer grants and provide an incentive to have a certified program.

Under the terms of the Act, certification is good for ten years. However, it is unclear whether communities with certified programs have been using the annual Capital Improvement Plans submitted as part of their certification application. Without attention to this part of their program the effectiveness of their programs is doubtful. The Program is likely to review and propose revisions to the Act and its regulations to address this issue in upcoming years.

[31] There is no reporting requirement for adoption; SPO gathers this data as it can. At this time the number of adopted zoning ordinances is not available.

D. Smart Growth: The Competitive Advantage

In 1999, Governor King formed a sub-cabinet working group to consider how state government could support smart growth. The goals of the effort were to assure a strong rate of return on public investment, to renew its commitment to environmental stewardship, and to step up efforts to build and strengthen communities.[32]

The working group, which included Commissioners and designees from 11 agencies, created a 3-year action plan, *Smart Growth: The Competitive Advantage,* which identified changes to operations, policies, laws, regulations, and investment decisions which unintentionally promote sprawl (see APPENDIX I for a copy of *The Competitive Advantage* action plan and APPENDIX J for an update on implementation of the plan).

That strategy became the basis for SPO's 5-point approach to managing the Smart Growth Initiative:

1. Get the State's house in order by reforming state policies, programs, and investments that encourage development sprawl;
2. Aid rural areas by bolstering the health and well-being of Maine's traditional natural resource-based industries;
3. Strengthen service center communities;
4. Provide relief to suburbanizing communities; and
5. Support the development of traditional, compact, Great American Neighborhoods.

The sub-cabinet also charged the Land and Water Resources Council with maintaining a biennial report card on progress toward this initiative. The Land and Water Resources Council created the Smart Growth Coordinating Committee, a standing committee, which SPO staffs, to coordinate these efforts.

What follows is a summary of only some of the efforts undertaken by the Legislature, SPO, its partner agencies, and communities all across Maine to implement the Smart Growth Initiative (For more details, see the GOALS ASSESSMENT section of this report).

1. Getting the State's House in Order

Preferences for Service Centers and Growth Areas
The Act was amended in 2001 to direct state agencies to establish preferences[33] in grant and

[32] Goals of *Smart Growth: The Competitive Advantage*, recommendations of Governor Angus King's Cabinet Committee on Smart Growth.
[33] In cases where state agencies believe that growth-related capital investments should be made outside of a designated growth area, the statute directs the LWRC to review and certify that there is no feasible investment or siting opportunity in one of the priority locations. SPO works closely with LWRC to provide guidance to state agencies that are affected by the legislative directive regarding growth-related capital investments.

investment programs to assist municipalities with preventing sprawl. As a result, seven state agencies have modified 20 programs to incorporate a town's comprehensive planning efforts into preferences for the award of grant and loan funds as follows:

- Department of Administrative and Financial Services: location of new state buildings
- Department of Conservation: Land and Water Conservation Fund and Urban and Community Forestry Grants
- Department of Environmental Protection: Non-point Source Pollution 319 Watershed Grant Program, "Patient" Sewer Extension Revolving Loan Fund, State Revolving Loan Fund for wastewater treatment plants and sewage improvements, Combined Sewer Overflow Fund
- Department of Economic & Community Development: Community Development Block Grants (including the Public Facilities Grants, Public Infrastructure Grants, Housing Assistance Grants, and Economic Development Programs)
- Department of Human Services: Source Water Protection Planning Grants and Revolving Loan Funds for community water systems
- State Planning Office: Community Planning grants and Land for Maine's Future funding
- Department of Transportation: Surface Water Quality Protection, Small Harbor Improvement Grants, Boat Infrastructure Grants, Scenic Byways and Transportation Enhancement Programs, Sidewalk Policy, and Dredging Prioritization Evaluation

State Office Location
Similar to school location, state office locations can be the hub around which downtowns and growth areas sprout or are sustained. For the last two years, all formal state *Requests for Proposals* for new building space have included bonus point preferences first for service center downtowns and second for growth areas. The Bureau of General Services in the state Department of Administrative and Financial Services has further modified its bid requirements to say that only a portion of total parking needs to be on-site parking (often a sticking point when locating offices in downtown areas). New state office buildings in Sanford and one that is pending in Calais will be located in downtowns, and a proposal has been awarded for a site in a designated growth area in Dover-Foxcroft.

District Court Buildings
SPO worked with the Judicial Branch, District Court Officials, and BGS to select sites for district courts in Lewiston and Sanford. The Lewiston District Court was housed in a renovated National Historic Register property in downtown Lewiston and is proving to be an anchor and impetus for renovating an entire city block. The Sanford District Court is sited on the former Nasson College Campus in downtown Springvale and is the cornerstone of a redevelopment partnership between local public and private interests and the University of Maine.

Schools
For more than a century in America, the location of schools has been a powerful influence on how the rest of a community grows. Up until the 1960s schools were almost always placed within walking distance of the children they would serve. In fact, one of the unwritten rules of school-siting and neighborhood development was that a school would be at the heart of the

neighborhood, typically within ¼ to ½ mile of the homes from which the children would come. As a different pattern of development began to take hold in the late 1960's and 1970's, a different philosophy emerged. It became acceptable, in fact routine, to place schools outside of neighborhoods where space was ample and land less expensive and easy to assemble.

One of the side effects of this change in school siting practices was that for the last 30 years school construction has contributed to Maine's sprawling pattern of development and decline of established, compact neighborhoods.[34] Recent literature from the health community echoes this concern, raising the specter that our pattern of school construction and its relationship to residential construction contribute to concerns about the health of our children (i.e., obesity, sedentary lifestyle, and lack of routine physical exercise).

Since 1999, the Department and Board of Education have worked to better direct funds to service centers and designated growth areas. SPO and the Department of Education have worked with every school district that received school construction funds during this period, resulting in many new schools being sited in designated growth areas (see APPENDIX K for a summary of school construction projects).

Access Management
Vehicles entering/exiting a road cause congestion, slow traffic, and generally reduce the overall capacity of a road. Unlimited access onto arterials is an invitation for development sprawl. In 2001-02, the Legislature endorsed, and the Maine Department of Transportation implemented, an access management strategy that sets differential standards for access points on rural state highways (over 45 mph posted speed) according to their mobility characteristics. SPO participates in the Department's Access Management Program Implementation Team.

The Department is also working to link future investments in sidewalks, bike trails and other transportation improvements to priorities outlined in comprehensive plans and is facilitating innovative development designs. Currently, the Department is formulating additional approaches to encourage the siting of high-volume land use activities requiring a Traffic Movement Permit in growth areas and continues to look for improvements.

2. Aiding Rural Areas by Bolstering Traditional Natural Resource-based Industries

Incentive to Keep Rural Lands Productive
Under the auspices of the Land and Water Resources Council, SPO produced the *Report on the Use of Incentives to Keep Land in Productive Farming, Fishing and Forestry Use (February 2001)*, as directed by P.L. 1999, Ch. 776. The report concluded that the best ways to keep rural lands in productive farming, fishing, and forestry use are through policies and programs that support the economic viability of these rural industries while maintaining ecological productivity. This can be done in a number of ways, including but not limited to research and development, workforce training, labor standards policies, educational programming, land use policies, land and development rights acquisition strategies, taxation policies (numerous subsets

[34] Over the last four years, the Board and Department of Education have worked with the Legislature and SPO to address these concerns.

of these), financing programs, marketing assistance and state purchasing policies (see APPENDIX L for a full copy of the report). Specific recommendations included:

- reimburse municipalities and stabilize terms of the current use tax programs, particularly Tree Growth;
- improve outreach to landowners regarding use of the Land for Maine's Future Program and other incentives;
- support the $1.5 million proposed in the November 2003 bond package for a new round of funding for MDOT's Small Harbor Improvement Program grants;
- adjust the Forest Management Tax Credit;
- improve links between comprehensive planning and farming, forestry, fishing and wildlife habitat issues;
- create a Farm Link Program;
- inventory rural resources and monitor impacts of development using GIS;
- enact a wildlife habitat tax incentive;
- support a current use tax program for commercial fishing property;
- address aquaculture application review issues; and
- enact a transferable state income tax credit for conservation.

Farmland Strategic Plan
Thanks to the one-time Smart Growth funding, SPO was able to join with the Department of Agriculture to hire the American Farmland Trust to assist with developing a strategic plan for Farmland Protection. The Plan is expected to be finished in early 2003. It emphasizes effective collaboration among farmers, agency service providers, local and regional planning committees, land trusts, and government agencies to facilitate a coordinated deployment of resources toward recognized local and regional priorities. Key stakeholders include the Maine Agricultural Center and Cooperative Extension Service at the University of Maine, Maine Municipal Association, Maine Farm Bureau, Maine Farmland Trust, Maine Coast Heritage Trust, Maine Organic Farmers and Gardeners Association, Natural Resource Conservation Service/USDA, and Land for Maine's Future Program.

Farmland Protection
As Maine loses acres of farmland each year, Land for Maine's Future (LMF) funds have been targeted to protect productive farmlands. In 1999, the Legislature directed the Land for Maine's Future Program to spend up to 10% of its bond funds for farmland protection. Representatives from the Land for Maine's Future Program are stakeholders in the farmland strategic planning process (see above) and works with the Community Planning & Investment Program to identify projects in communities that have identified farmland protection as a goal in their comprehensive plans. To date, the Land for Maine's Future Program has protected 2,744 acres of farmland in Maine and seven additional projects are underway.

Sales Tax Exemption
The Legislature removed the sales tax charged on electricity purchased by farmers for development of a wholesale product. Equivalent sales tax had been exempted by the industrial sector for years. This has provided significant tax relief to farms.

Farmland Tax Program
Because of large withdrawal penalties, many landowners would not use the Farm and Open Space tax program, designed to reduce the tax burden on landowners that keep their land in farm production. The Legislature amended the Farm and Open Tax Law to reduce the penalty levied for early withdrawal to the minimum required by the Constitution.

Farmland Land Trust
Through the collaboration of many active interest groups and supported by SPO, the Department of Agriculture, and the Maine Coast Heritage Trust, the Maine Farmland Trust (a land trust specializing in farmland protection) was created in 2000. The Trust works closely with the farming community and provides technical assistance in land conservation. Part-time staff funding has been made possible through private fundraising.

Protecting Recreation Lands
Using funds from the 1999 bond, the Land for Maine's Future Program has undertaken over 70 projects designed to protect existing and to create new opportunities for public outdoor recreation. Examples include water access projects specifically designed to create hand-carried and trailer launch sites for boaters, working forest conservation easements to protect access to hunting and hiking opportunities, and carefully targeted open-space acquisitions in rapidly growing towns to protect recreational opportunities.

Small Harbor Improvement Program
The Small Harbor Improvement Program (SHIP), funded through transportation bonds and administered by the Maine Department of Transportation, is a municipal grant program that has funded a variety of public infrastructure improvement projects along the Maine coast such as piers, floats, boat ramps and shore stabilization projects. In 2002, the Department awarded grants to 21 projects ($1.5 million) that have resulted in improved public access to coastal areas and enhanced opportunities for commercial fishing activities. SPO works with the Department to market the program and to score the competitive applications. Preferences are given to municipalities with consistent comprehensive plans and certified growth management programs.

State Comprehensive Outdoor Recreation Plan
An approved plan is required by the U.S. Department of the Interior for states to be eligible for Land and Water Conservation funds for outdoor recreation planning, acquisition and development. Five broad topics of statewide importance are the focus of Maine's new plan:

- Availability of Outdoor Recreation Opportunities;
- Community Outdoor Recreation Needs and Smart Growth;
- Recreation/Public Access in the Northern Forest;
- Trail Recreation; and
- Tourism and Public Recreation Facilities.

SPO has been working with the Bureau of Parks and Lands to incorporate Smart Growth principles into the plan. In addition, when awarding funds, the Department of Conservation allocates bonus points to projects in communities with a consistent comprehensive plan.

Working Waterfronts
Legislation passed by the 120th Legislature directed the Land and Water Resources Council to review the effectiveness of the State's approved Coastal Management Plan in meeting the public access and working waterfront policy goals established in statute. In conducting the review, the Council was directed to 1) explore state and local jurisdictions and authority, 2) consider the development of incentives for municipalities to improve coastal access, 3) consider the development of incentives for municipalities to conserve working waterfronts for water-dependent uses, and 4) discuss the development of performance indicators to allow for ongoing measurement of progress. The report, submitted to the Legislature's natural resources and marine resources committees, offers a series of recommendations for improving and expanding the Maine Coastal Program to improve coastal access to assure the viability of working waterfronts (see APPENDIX M for a full copy of the report).

3. Strengthening Service Center Communities

Municipal Revenue Sharing
Service centers are physically and financially stressed, yet as a matter of course they provide services to residents and visitors from surrounding towns such as roads, emergency, hospital, educational and cultural services. The Legislature modified the way municipal revenue sharing is distributed to shift "new" funds to municipalities based on distress (measured by the full value tax rate). Service centers are generally favored under this formula.

Consolidation of Local Services
As of the close of the evaluation period, a number of conversations around consolidation are taking place. The Maine Municipal Association includes an incentive for regionalization in its citizen-initiated tax reform proposal. Legislators have introduced bills around the issue for consideration by the 121st Legislature. Local officials in Falmouth, Cumberland, North Yarmouth, Yarmouth, and Freeport are discussing how to consolidate public services such as police, dispatch, planning, recreation, legal, and risk management services. Towns in the Penobscot Valley are researching ways to more effectively combine services. The financial and land use impacts of these efforts could be significant.

Maine Downtown Center
In 2000, SPO, the Department of Economic & Community Development, and the Maine Development Foundation worked together to create the Maine Downtown Center. Several other state agencies played, and continue to play, a role in the Center's operation including the Maine Department of Transportation, Maine Historic Preservation Commission, and Maine State Housing Authority. The Center resides at the Maine Development Foundation. Since its creation, the Center has designated five Main Street Maine communities and has distributed approximately $200,000 to them. The Center provides downtown revitalization assistance to hundreds of other Maine communities. SPO staff provides financial and technical assistance to the Center and coordinated ongoing financial support from other agencies for its first three years of operation. While only just getting off the ground, the Maine Downtown Center projects 260

new jobs and 70 new businesses will be added to Maine's economy in 10 years from local main street programs based on what is known of similar programs in other states.[35]

Affordable Housing
The Maine State Housing Authority's New Neighbors Program offers reduced mortgage financing for first time homebuyers in eligible communities who wish to buy a multi-unit home and live in one of the units. The Maine State Housing Authority expanded the number of participating communities by 166% in the last four years, adding Augusta, Bath, Norway, Auburn, and Westbrook to the roster that already included Portland, Lewiston, and Bangor. The Housing Authority is encouraging even more community participation in the program by offering ongoing training and technical assistance and by eliminating the cap on the number of communities that can participate.

The Maine State Housing Authority also initiated a new program in 2002 called the Affordable Housing Subdivisions Financing Program offering grants and loans to support residential subdivisions that meet its guidelines and locate in designated growth areas. This program was initiated to support state efforts to curb sprawl by offering greater opportunities to build new neighborhoods closer to town centers and services. Due to its newness, it is too early to report on program participation.

Brownfields Redevelopment
Using Environmental Protection Agency funds, SPO and the Department of Environmental Protection established the Brownfield Site Assessment Services Grant Program to encourage potential redevelopment of abandoned or unused sites that previously hosted commercial or industrial uses. Three applicants were provided funds for a total of $120,000. Following the assessments, two sites have been cleaned up and redeveloped, with local officials considering options for remediation and redevelopment on the other site. SPO, in partnership with the Department of Environmental Protection, has applied for additional federal funds to extend the grant program and anticipates hearing about the application in October 2003.

4. Providing relief to suburbanizing communities

Impact Fees
In 2000, the Legislature clarified that school facilities are among the types of facilities for which communities may establish impact fees and that communities that are part of a single or multi-community school district may deposit the proceeds of school impact fees in a trust fund to be used to pay their proportionate share of anticipated school capital costs. SPO developed an Impact Fee Handbook for municipalities considering implementing impact fees on new development. The Handbook addresses common questions about impact fees, provides examples of impact fee ordinances in Maine communities, and provides digital templates for calculating impact fees for transportation improvements, parks and open space, and school improvements.

[35] Maine Downtown Center website, *Main Street Results*, Average Results of Local Main Street Programs, by Number of Years of Operation.

Municipal Investment Trust Fund
SPO worked with the Department of Economic & Community Development, Maine Municipal Association, and other concerned individuals over the course of the past decade to capitalize the Municipal Investment Trust Fund. The 120th Legislature provided the first allocation to the fund in the amount of $400,000. The following year, the Legislature put an economic development bond referendum to the voters, which included an additional $4 million for the Fund. The Trust Fund will provide funds to municipalities for capital investments that are needed to implement their growth strategies. SPO expects that the Department of Economic & Community Development and the Maine Bond Bank, who are managers of the Trust Fund, will continue to be close allies in this effort.

5. Supporting the Development of Traditional Compact Neighborhoods

Maine's Smart Growth Initiative encourages the creation and restoration of traditional neighborhoods, what we call the "Great American Neighborhood." Great American Neighborhoods can be found in many older Maine villages and cities. They are the compact neighborhoods with six universal features:

- they are walkable;
- they have a civic core and a mix of neighborhood uses;
- they have an interconnected street network;
- they have recognizable boundaries that separate one neighborhood from another;
- they have a human scale; and
- they provide for both chance meetings and personal privacy through their street, sidewalk, and lot design.

Pilot Projects
Over the past four years, the State Planning Office has worked on five projects, each with a community and developer interested in creating or adding to, an existing Great American Neighborhood. The projects range in size from seven new "infill" homes in Camden Village, to 64 units proposed in phase one of "Topsham Crossing" adjacent to Topsham Village, to larger proposals envisaged in Scarborough, Westbrook, and West Rockport. The Camden project construction is underway. Phase one of Topsham Crossing received local approval. All the rest are at various stages in the planning and permitting process. Several other developers and communities have contacted the Office expressing interest in pursuing opportunities to create new neighborhoods, within walking distance of stores or a school.

Hometown Maine
The State Planning Office's "Hometown Maine" initiative is designed to provide guidance to homebuilders and communities on the design and creation of walkable, mixed-use neighborhoods that are close to existing services. The initiative, designed to address market demands for this type of housing, illustrates one of the market-based approaches to address sprawl through a non-regulatory approach. SPO is developing a *Guide to Livable Design* to help developers design traditional neighborhoods and a *Smart Growth Handbook* for municipalities to assist with amending lot size and road frontage requirements in their zoning ordinances if they want to allow compact development.

ASSESSMENT OF GOALS

In its 1999 evaluation, *Continuing Challenges and Growing Opportunities*, SPO made a number of recommendations to further the goals of the Planning and Land Use Regulation Act. The following is a goal-by-goal assessment of the activities undertaken in the past four years to accomplish those recommendations or otherwise advance the goals.

While SPO administers the Smart Growth Initiative, it by no means is responsible for all of the accomplishments contained herein. We hope that we have set the stage, communicated the principles, and helped foster activities across state and local government to accomplish the Legislature's goals. But it is only with the commitment of the Legislature, other state agencies, and communities across the State that we can document such success.

While this is a goal-by-goal assessment, it is important to not lose sight of the Program's overall approach that cuts across all 10 goals and supports multiple goals simultaneously.[36] We've tried to present the 2003 recommendations within the framework of the 5-point strategy, so some recommendations may appear under more than one goal. Wherever possible, cross-references among recommendations are provided. However, some of the redundancy is intentional to aid an individual who is interested in a particular goal and who might not find recommendation that is located in another related area or in a section that summarizes an effort that crosses several goals.

Nevertheless, we recognize that the list of recommendations is extensive. It is unlikely that all

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[36] 1) Get the State's house in order
- Using state capital investment to support Smart Growth
- Identifying and removing hidden subsidies of sprawl in state funding formulas
- Enhancing regulations so the don't push development outward

2) Aid rural areas by bolstering traditional natural-resource-based industries
- Regarding them as businesses and assisting them accordingly
- Buying or leasing development rights
- Strengthening the right-to-farm law
- Taxing them at current use and reimbursing towns for lost revenue
- Supporting research and development for greater value added

3) Strengthen service centers
- Supporting the "Downtown" initiative
- Expanding home ownership in centers
- Shifting a fair share of costs of providing regional services to the region
- Allowing flexible taxation to spur development

4) Provide relief to suburbanizing communities
- Emboldening local comprehensive plans to protect rural areas and direct development to growth areas
- Encouraging adoption of strategies that require new arrivals to pay a fairer share of costs
- Encouraging communities to use their local authority to direct growth in less expensive ways

5) Support development of traditional Great American Neighborhoods
- Identifying and educating markets for traditional neighborhood development
- Preparing a design manual about details of traditional neighborhood development
- Preparing a handbook of model ordinances to allow traditional neighborhood development
- Providing incentives for sewer and water lines

that is outline in this report can be accomplished within the upcoming four years, particularly given resource constraints. SPO anticipates that two separate activities will occur to help identify the most important areas to pursue. Over the coming months, SPO will review the recommendations with its various partners and establish short, mid, and longer-term priorities. In addition, over the coming year, SPO expects to work with the Land and Water Resources Council and the Smart Growth Coordinating Committee to establish priorities for interagency efforts.

The following acronyms are used in this section:

BACTS - Bangor Area Comprehensive Transportation Study
BGS - Bureau of General Services
BPL - Bureau of Public Lands
CDBG - Community Development Block Grants
DAFRR - Department of Agriculture Food and Rural Resources
DAFS - Department of Administrative and Financial Services
DECD - Department of Economic & Community Development
DEP - Department of Environmental Protection
DMR - Department of Marine Resources
DOC - Department of Conservation
DOE - Department of Education
EPA - US Environmental Protection Agency
FHA - Federal Highway Administration
GIS - Geographic Information System
HUD - US Department of Housing and Urban Development
IF&W - Department of Inland Fisheries & Wildlife
LMF - Land for Maine's Future
LWRC - Land and Water Resources Council
LWCF - Land and Water Conservation Fund
LURC - Land Use Regulation Commission
MDF - Maine Development Foundation
MDOT - Maine Department of Transportation
MAR - Maine Association of Realtors
MCHT - Maine Coast Heritage Trust
MEGIS - Maine Office of Geographic Information Systems
MREDA- Maine Real Estate Development Association
MFT - Maine Farmland Trust
MFB - Maine Farm Bureau
MFS - Maine Forest Service
MHPC - Maine Historic Preservation Commission
MMA - Maine Municipal Association
MMBB - Maine Municipal Bond Bank
MREC - Maine Real Estate Commission
MRDC - Maine Rural Development Council
MRS - Maine Revenue Service
MSHA - Maine State Housing Authority
NAP - Natural Areas Program (DOC)
NOAA - National Oceanic and Atmospheric Administration
NEMO - Nonpoint Education for Municipal Officials
PACTS - Portland Area Comprehensive Transportation Study
RTAC - Regional Transportation Advisory Committee
ROW - Right-of-way Discovery Grants
SCORP - State Comprehensive Outdoor Recreation Plan
SHIP - Small Harbor Improvement Program
SPO - State Planning Office
SWOAM- Small Woodlot Owners Association of Maine
USDA - US Department of Agriculture
USM - University of Southern Maine

This section of the report is divided into the ten goals and two strategies (regional coordination and evaluation) in the Act. Each section contains the recommendations made in 1999 (that are printed in gray type to distinguish them from the 2003 recommendations), a list of accomplishments since that date, and a series of new recommendations for 2003. From the 2003 recommendations, SPO identified nine priority areas which can be found in the KEY ACTIONS AND RECOMMENDATIONS section of this report.

GOAL A: Development Sprawl and Public Facilities

To encourage orderly growth and development in appropriate areas of each community, while protecting the State's rural character, making efficient use of public services and preventing development sprawl.

1999 RECOMMENDATIONS

- Amend the Act to offer meaningful **incentives and rewards for communities with certified growth management programs** and expand preferential award of grants for expansion of sewer and water facilities consistent with a local comprehensive plan.

- Continue working to **eliminate policies that penalize service centers** or threaten rural natural resource-based economies.

- **Support MDOT's Urban Compact and Rural Road Initiatives**.

- Support MDOT's efforts to **establish access management policies** and regimes at the state, regional, and local level.

- Continue working with DOE to direct state funds toward **renovation and expansion of existing schools** in service centers and designated growth areas and to site new schools consistent with local comprehensive plans with consideration of impacts on regional growth patterns and sprawl.

- Build upon interagency working relationships begun in 1998 to identify strategies for mutually **reinforcing the productive use of rural lands** and deterring development sprawl. Priority areas include tax policy, land use planning, and business planning/marketing assistance for natural resource-based industries.

ACCOMPLISHMENTS 1999-2002

Offer Incentives for Communities with Certified Growth Management Programs

- Preferences: The Legislature amended the Act in 2001 to direct state agencies to establish preferences in grant and investment programs to assist municipalities with preventing sprawl. SPO worked with state agencies to implement these legislative requirements. Seven state agencies have modified 20 programs to incorporate a town's comprehensive planning efforts into the preferences for the award of funding, grants, and loans.

Eliminate Policies that Penalize Service Centers

- Municipal Revenue Sharing: The Legislature amended the municipal revenue sharing formula to shift new funds, generated by growth in revenue sharing dollars, to municipalities based on distress measured by full value tax rate.
- Local Sales Tax: SPO worked with partners to attain Governor King's support for enabling legislation to allow municipalities to enact a local option sales tax to fund regional infrastructure projects. This proposal was controversial, as any taxation plan would be, and was not enacted. The new Community Preservation Advisory Committee is charged with proposing solutions to help relieve the burden on service centers.
- Local Roads Assistance: MDOT worked with MMA to reformulate the Local Road Assistance Program into an Urban Compact and Rural Road Initiative that increased the amount that urban compact areas receive for maintaining state roads. MDOT is now exploring ways to improve the Traffic Movement Permit system to decrease incentives for moving development outward.
- Impact Fees: The Legislature clarified that school facilities are among the types of infrastructure facilities for which communities may establish impact fees and that communities that are part of a single or multi-community school district may deposit the proceeds of school impact fees in a trust fund to be used to pay their proportionate share of anticipated school capital costs.
- Impact Fee Manual: SPO developed an impact fee handbook for municipalities to address common questions about impact fees. It provides examples of impact fee ordinances in place in Maine communities and templates for calculating impact fees for transportation and school improvements and parks and open space.

Support MDOT's Urban Compact and Rural Road Initiatives

- The Urban and Rural Road Initiative in large part has corrected policies that penalize service centers or threaten rural natural resource-based economies.

Establish Access Management

- Access Management Rules: The Legislature endorsed and MDOT developed a new access management program for rural corridor highway management.
- Strategic Passenger Plan: MDOT advanced alternative transportation initiatives through the Strategic Passenger Plan resulting in the successful introduction of the Island Explorer Bus service at Acadia National Park and return of Amtrak passenger service to Portland.
- Intergovernmental Planning: MDOT made an integrated regional capital planning project possible in the Greater Bangor region, is active in the Hancock County *Planning for Prosperity* project, and is pursuing a new model of integrated planning in the Mid-Coast portion of the Route 1 corridor.
- Transportation Improvements: MDOT has begun to link future investments in sidewalks, bike trails and other transportation improvements to priorities outlined in comprehensive plans and is facilitating innovative development designs.
- Integrate Transportation and Land Use Management: SPO and MDOT worked and continue to work together to link land use and transportation planning, management, and investment.

Efforts range from coordination of public and private smart growth developments to support for linked regional transportation/land use plans. SPO and MDOT also cooperate in the preparation and delivery of data packages and reviews in support of local comprehensive planning as well as in the delivery of regional technical assistance.

Renovate and Expand Existing Schools

- Publications: SPO and DOE produced a nationally-recognized brochure called the *ABCs of School Site Selection* and distributed it to Maine school superintendents, construction committees, architects, land use planners, and municipal officials to help school districts and communities Avoid Sprawl, Be site savvy, and Consult the community in its process of addressing school facilities needs. SPO and DOE also produced a booklet called *Making Schools Important to Neighborhoods Again* to promote alternative approaches to siting schools that reinforce municipal efforts to direct their patterns of growth.
- Workshops: SPO and DOE conducted a one-day charette on school siting and sprawl, which was also called *Making Schools Important to Neighborhoods Again*. Nearly 50 school superintendents, finance directors, board members, designers, local planners, historic preservation, and smart growth advocates participated in the workshop.
- State Guidelines: SPO worked with DOE to revise state regulations guiding the siting of new schools to establish a hierarchy of site selection focusing first on sites within designated growth areas. Also revised school construction application forms for major construction funds to reflect the same.
- Enrollment Projections: SPO prepared town-by-town school enrollment projections for the Department.
- Targeted Assistance: SPO assisted each school district selected for construction funding (26 districts to date) resulting in 4 schools being renovated and expanded and 14 new schools being sited in residential growth areas.

Reinforce Productive Use of Rural Lands

(see GOAL E, F, and H for accomplishments related to natural resource-based economies)

2003 RECOMMENDATIONS

1. ***Target Capital Expenditures and Expand Preferences****: State investment programs and policies contribute to sprawl by building infrastructure outside of urban and rural centers. The State can support the first goal of the Act by targeting capital expenditures and siting office and community facilities in designated growth areas. It can also provide grant preferences in support of local planning efforts that are consistent with the goals of the Act. Under the Act, local planning is consistent with the Act when the Program finds its comprehensive plan consistent and when the local growth management program is certified*[37]*. We recommend that SPO*

[37] A Certified Growth Management Program includes a comprehensive plan that is consistent with the Act, a set of land use ordinances that are consistent with the Plan and state law, and adoption of a 10-year capital improvement program.

continue to work with state agencies to build awareness and support for these strategies as follows:

a. Retain some type of preference for certified Growth Management Programs in the award of Municipal Investment Trust funds.
b. Continue to work with DECD, DEP, DMR, MDOT, MSHA, and other agencies to build preferences for service centers and designated growth areas into their funding criteria.

2. Integrate Land Use and Transportation Management*: The relationship between land use management*[38] *and transportation planning and investment has been widely documented. Over the past four years, SPO and MDOT have worked to bring these two disciplines closer together. We recommend that SPO continue to work with MDOT on implementing access management, integrating land use/transportation planning and investment, and strengthening ties with local growth management programs to encourage compact patterns of development and to protect state and local capital investment in transportation and other facilities as follows:*

a. Continue to participate in MDOT's Access Management Program Implementation team, which includes efforts to provide education, technical assistance, and prudent investment partnership opportunities with municipal officials and the private sector.
b. Support further development of MDOT's Access Acquisition Program.
c. Support MDOT's efforts to amend Access Management Rules to allow the Department to adjust the default standards in approved corridor management master plans for those municipalities that have developed, adopted, and are implementing such a plan.
d. Update SPO Access Management Technical Assistance Bulletin to reflect new MDOT Access Management Program. Require municipalities to develop, adopt, and implement land use management plans that protect the State's investment in transportation systems before investments are made that increase capacity or improve amenities within that municipality.
e. Provide incentives for the creation and implementation of regional land use and transportation investment area compact. Support MDOT initiative to bring the Sensible Transportation Policy and Planning and Land Use Regulation acts into 100% alignment, including statutory amendments and rulemaking efforts as required.
f. Continue to strengthen the opportunities to coordinate joint state and local planning during comprehensive planning and MDOT's Six- and Twenty-year plan development processes.

3. ***Direct School Investment to Service Centers and Growth Areas****: The location of a school is a powerful influence on how the rest of a community and the region grow. We recommend that SPO continue to work with the Board of Education, DOE, and local school officials to assure that state policies to fund new schools do not inadvertently subsidize the outward movement of residents from service centers to outlying towns and that siting decisions are consistent with local comprehensive plans as follows:*

a. Remove minimum lot size requirements for new schools and require school districts to demonstrate what they believe is necessary acreage to support school facilities.

[38] Land use management includes planning, regulation, investment, and other strategies.

b. Identify and remove other hidden incentives to sprawl in state standards and guidelines, excluding health and safety standards.
c. Formalize SPO's involvement in evaluating new construction over renovation before approving state funds for new construction.
d. Require school districts that seek new construction funding to factor in walking distance as a consideration for site selection.
e. Require district capital planning for all school facilities, not just those for which they are seeking funding.
f. Include a broader analysis of cost factors for site selection and location, including busing.
g. Support MDOT's "Another Way to School" program which provides other ways of getting to school besides buses, parental chauffeuring, and students driving their own vehicles and includes sensitive siting and creative partnering to support the construction of sidewalks, bike paths, and trails.
h. Review the effectiveness of state efforts to shift school capital investments to service center communities, including strategies to consolidate school districts, renovate existing facilities, utilize capacity within the region, and site new facilities.

4. Support the Community Preservation Advisory Committee (CPAC): *In 2002, the Legislature established a committee to advise it, the Governor, SPO, and other agencies and entities on matters relating to community preservation, growth management, and sprawl. SPO sits as a member and provides staff support to the Committee (see APPENDIX N for a copy of the "First Annual Report of the Community Preservation Advisory Committee.") We recommend that SPO continue to dedicate staff resources to support this Committee as follows:*

a. Undertake research in current and emerging areas of importance to CPAC's efforts, including the unintended consequences of Maine's tax structure and the need for regionalization.
b. Engage state agencies and key legislators on CPAC priorities, including fiscal, transportation, education funding, school-siting, and land use policies that affect service center communities, rural lands and sprawl, and streamlining local and state land use regulations to encourage efficient neighborhood and economic development in growth areas.
c. Collaborate with state agencies to implement CPAC's non-statutory recommendations, such as outreach and communication on regionalization, affordable housing, and preservation of unique and natural resources.

5. Continue to Facilitate Administrative Responses to Sprawl, including Efforts of the Smart Growth Coordinating Committee*: In the summer of 1999, Governor King formed a sub-cabinet working group to consider how state government could support smart growth principles. He asked cabinet members to review their agency operations, policies, laws, regulations, and investment decision-making processes that may unintentionally erode the vitality of service centers, viability of rural enterprises and working waterfronts, and ability of developers and communities to build and maintain strong neighborhoods and communities. The sub-cabinet developed a 3-year action plan ("Smart Growth: The Competitive Advantage"), worked together to identify and change policies in accordance with its charge, and developed a smart growth report card, "Indicators of Livable Communities." We recommend that SPO continue working*

with the Smart Growth Coordinating Committee, which is now a sub-committee of the LWRC, to enhance and expand its efforts as follows:

a. Update *The Competitive Advantage* to create a new five-year action plan that establishes priorities for interagency efforts.
b. Expand participation in the Smart Growth Coordinating Committee to include other agencies whose mission and efforts have an impact on sprawl.
c. Continue to collect data for and release two-year updates of the *Indicators of Livable Communities* smart growth report card.
d. Work with members of the Smart Growth Coordinating Committee to address interagency interests and policies, including adjusting comprehensive plan submission and review criteria, legislative matters, and investment strategies.
e. Continue to work with state agencies to clearly understand their needs and challenges, expand awareness of the impacts of their policy and investment decisions, and increase appreciation of how smart growth is in the interest of their missions.

6. Continue to Involve and Expand the Role of State Agencies in Comprehensive Planning*: The Planning and Land Use Regulation Act directs state agencies with responsibility for various aspects of land use planning to review and provide input into local comprehensive plans. SPO coordinates these reviews. We recommend that SPO continue to mobilize state agencies in the comprehensive plan process as follows:*

a. Encourage state agencies and communities to work together both early and at critical points in their planning processes, rather than at the end when final reviews are conducted.
b. Provide training and guidance to state agencies to help expand an understanding of the value of their role in the comprehensive planning process and to help find ways to streamline their participation in the process.
c. Improve the content, coordination, and delivery of state data and technical assistance materials to community planning committees, including the development of a comprehensive digital data package of all relevant state geographical information
d. Engage participating agencies in updating comprehensive plan submission and review criteria to reflect recent changes in policy and statutory direction.
e. Work with state agencies to update the 1992 *Comprehensive Planning Manual.*

7. Provide Grants and Technical Assistance*: SPO provides land use planning assistance to communities. We recommend that SPO continue these efforts as follows:*

a. Continue to work with the DEP to seek federal funds for and offer grants to towns for brownfield assessment and redevelopment.
b. Continue adding to SPO's Smart Growth ToolBox; increase awareness of the ToolBox and its resources statewide.
c. Work with USM and others to "institutionalize" the Smart Growth Institute and to provide other more concentrated, geographically-based, or professionally-targeted training (like CEO training).

d. Work with the Legislature and state agencies to provide incentives and support to communities to adopt building rehabilitation codes.

8. Keep Rural Lands Productive. *Keeping rural lands productive will strengthen our rural economy and deter sprawl. We recommend that SPO continue working on tax policy reforms, long-term land production, "Buy Local" campaigns, research and development investment, and business planning/marketing assistance for natural resource-based industries (see also GOALS F, G, and H and APPENDIX L for the LWRC report "Incentives to Keep Rural Land in Productive Fishing, Farming, and Forestry Use.") as follows:*

a. Adopt an overall policy statement and implementation strategy to support natural resource-based industries and provide incentives for responsible rural land stewardship for mutually-reinforcing economic, social, and ecological benefits.
b. Advocate for state reimbursement to municipalities for lost tax revenue from current use taxation programs.
c. Engage federal partners such as the USDA and HUD in a review of grant and loan policies that facilitate development in rural areas.

9. Shift Fair Share of Cost of Regional Services*: Service center communities, in both urban and rural parts of the State, unfairly bear the burden of services for surrounding outlying communities including social services, emergency services, and infrastructure investments. We recommend that SPO continue to support legislation that allows local and regional taxation options and to work with partners as follows to:*

a. Adopt criteria which CPAC and others can use to evaluate how various tax reform proposals are likely to impact development patterns.
b. Develop financial support to explore promising initiatives and incentives to adopt regional delivery of services.
c. Support successful models of sharing costs of regional services and develop technical assistance to document and share information about them.
d. Explore state and regional fair share taxation policy partnerships to ease the burden on municipalities that host government offices and major nonprofit institutions providing regional services, such as schools and hospitals.
e. Facilitate stakeholder conversations around the inherent tension between regional efficiencies and the need for core community infrastructure, especially in declining rural areas and service center neighborhoods; assist policymakers with identifying the right balance.

10. Embolden Comprehensive Plans*: Local plans that designate where the community wants and does not want growth to occur underlay all of the State's other smart growth initiatives. It has become clear that communities struggle with making the hard political choices that are key to directing development patterns. Perceived landowner inequity and fear of density are two particular challenges. We recommend that SPO maintain efforts to help communities strengthen their comprehensive plans, including providing financial and technical assistance, especially to update existing comprehensive plans as follows:*

a. Seek additional funding for Comprehensive Plan Update Grants, including dedication of a portion of existing funds.
b. In some cases, increase local match requirements to ensure commitment and to stretch funding as far as possible.
c. Continue to develop new tools for community visioning processes and visualization techniques, as keys to adopting bolder comprehensive plans.
d. Explore techniques to address perceived landowner inequity and fear of density.
e. Continue efforts to provide good, usable, interpretable data in a form that is most useful to towns and that will improve plans and reduce their overall cost to develop.

11. Promote Compact Development and Mixed Use: *Compact and mixed-use development offers general efficiencies in the movement of people and goods between the different types of uses. It creates a proximity and density of population that supports alternative transportation options (including biking and walking), cultural amenities, and shops and services and makes more efficient use of public investments. We recommend that SPO continue to facilitate interagency support for local land use and capital planning for the infrastructure necessary to support compact patterns of development, including general planning of growth areas, new and improved roadways, public sewer and water, streetscapes, recreation, and open space.*

(Note: This recommendation also supports efficient public investments under Goal B)

12. Promote Traditional Neighborhood Development*: SPO's research documents that nearly 40% of new homebuyers in Maine would prefer homes in traditional neighborhoods that are walkable and that have interconnected streets, mixed neighborhood uses, and well-designed open spaces. To help meet this demand and reduce sprawling patterns of development, we recommend that SPO* c*ontinues working with developers and communities to create Great American Neighborhoods that provides choice in the housing market as follows:*

a. Support the development of livable, compact development and share information about good examples as they are developed.
b. Provide visual tools to redefine public images of "density;" provide technical assistance to regulators, developers, and town leaders which demonstrates that compact development supports the creation of safe and livable communities.
c. Develop guidelines and technical assistance material about water and wastewater systems for new, compact development which is not served by public sewer and/or water systems.
d. Require densities that are appropriate to justify public investment in infrastructure such as water, sewer, and sidewalks in all state grant and loan programs; encourage federal agencies to adopt similar requirements.

GOAL B: Capital Investment Strategy

To plan for, finance, and develop an efficient system of public facilities and services to accommodate anticipated growth and economic development.

1999 RECOMMENDATIONS

- The **Municipal Investment Trust Fund** should be funded to support local efforts to provide necessary infrastructure and services to attract and accommodate development in designated growth areas of communities with consistent growth management programs.

- State agencies should **review and modify existing programs supporting local infrastructure investments** to ensure that preference is given to communities whose projects are supported by consistent growth management programs.

- State agencies should encourage efforts to provide for infrastructure and public facilities needs that **provide benefits on a regional or multi-town basis** as long as these efforts do not encourage development sprawl.

ACCOMPLISHMENTS 1999-2002

Municipal Investment Trust Fund

- MITF: The Legislature appropriated $400,000 and voters approved $4 million to capitalize the Municipal Investment Trust Fund.

Add Preferences to Programs that Support Local Infrastructure Investments

- Preferences: The Legislature amended the Act in 2000 to direct state growth-related capital investments to service centers and growth areas.[39] In 2002, the Legislature added hospitals and other quasi-public facilities that use state or passed-through federal dollars in the definition of growth-related capital investments. SPO has worked with state agencies to implement the legislative requirements.
- Court Buildings: SPO worked with the Judicial Branch, District Court Officials, and BGS to select sites for two district courts in renovated buildings in the host communities' downtowns.
- New State Buildings: The BGS has modified its bid requirements to give preference to service centers, downtowns, and designated growth areas for new state buildings.
- Community Development: DECD now gives preferences to growth areas in its CDBG grants.

[39] Includes construction or extension of utility lines, development of industrial or business parks, public service infrastructure and public facilities, state office buildings, state courts and other state civic buildings, newly constructed multifamily rental housing.

- Sewer Loans: To be eligible to apply for loans under the patient sewer loan fund, projects must be in growth areas.
- Infrastructure Grants: State grant programs for infrastructure for sewers, water systems, harbor improvements, boating facilities, outdoor recreational facilities, and transportation enhancements all have preferences for growth areas.
- Housing: MSHA provides financing for residential subdivisions in locally-designated areas that meet their guidelines.

Provide Benefits on a Regional or Multi-town Basis

(See REGIONAL COORDINATION)

2003 RECOMMENDATIONS

1. Direct Regional and Municipal Infrastructure to Growth Areas*: Regional and local infrastructure and services are necessary to attract and accommodate development. We recommend that SPO continue to support regional and local efforts to provide infrastructure and services, but direct them to designated growth areas of communities with consistent comprehensive plans and certified growth management programs as follows:*

a. Continue offering towns technical assistance to prepare capital plans and to make investments that address maintenance and new facilities outlined in comprehensive plans
b. Encourage municipalities to adopt certified growth management programs with financial or other incentives that support ongoing capital planning.
c. Support continued funding of the Municipal Investment Trust Fund and retain preferences for communities with consistent comprehensive plans and certified growth management programs.
d. Work with state agencies to review and modify existing programs that support local infrastructure investments to ensure that preference is given to those communities and projects that are supported by consistent comprehensive plans and certified growth management programs.
e. Work with state agencies to create incentives or threshold requirements for towns to develop and use ongoing capital planning and investment as a condition of receiving funds for big-ticket items like schools, roads, sewer, water, parks, recreation, and other infrastructure.
f. Work with state agencies to support investments in infrastructure and public facilities that benefits a region or multiple towns as long as these efforts do not encourage development sprawl; use as a model the PACTS Planning Committee's recent proposal to link capital investment for improvement of arterial roadways to coordinated management of land use in affected communities.
g. Work with MDOT, the Board and DOE, regional organizations, and municipalities to develop workable and sensitive approaches which ensure that investment in school and non-linear transportation systems are made in designated growth areas whenever possible and do not subsidize and encourage sprawl.

2. Enhance Capital Planning by State Government*: The timing and location of state infrastructure impacts regional and local capital planning efforts. We recommend that SPO work with state agencies to prepare capital plans that respect local growth management plans and encourage implementation of regional growth management efforts as follows:*

a. Integrate all state capital investments (including school aid) into a statewide capital plan.
b. Work with state agencies to clarify the appropriate applicability of local zoning jurisdiction over state agency activities.
c. Improve efforts by state agencies to assist municipalities in implementing their consistent comprehensive plans and certified growth management programs by seeking opportunities to invest in accordance with such programs and complying with land use ordinance requirements. Build on improved state-local communication during the planning process to adequately foresee state interests and minimize discord.
d. Work with the Smart Growth Coordinating Committee, CPAC, and MMA to address the growing problem of utilizing outdated comprehensive plans that do not comply with current state policy or relate to relevant investment decisions as a basis for state agency guidance.

3. Engage Federal Funding Agencies*: Federal funding for regional and municipal infrastructure and services also impacts sprawl. We recommend that SPO engage federal funding agencies and Maine's Congressional Delegation to redirect federal funds to locally-designated growth areas as follows:*

a. Examine federal housing, community and economic development, transportation, and new homeland security infrastructure policies, programs, and needs and work with federal agencies to address issues and concerns about sprawl.
b. Explore options for legislation, executive action, or administrative rule-making to direct federal funds in accordance with this goal.

GOAL C: Economic Development

To promote an economic climate which increases job opportunities and overall economic well-being.

1999 RECOMMENDATIONS

- State agencies should **establish common policies and grant award practices.**
- The Office should continue to **offer technical assistance to towns on capital improvement planning** to implement investments outlined in their comprehensive plans.
- The Office and Department of Economic and Community Development (DECD) should work together to provide municipal technical assistance to **integrate community planning and economic development.**
- The DECD should **target a portion of its Community Development Block Grants** for downtowns in service centers and designated growth areas of communities with consistent growth management programs.
- The DECD should establish a **set aside for grants to service centers** to address stagnant or declining populations, high proportion of low income and dependent populations, aged housing stock, and other symptoms of long term economic and social stress similar to that recognized by federally designated entitlement communities.
- The Office should continue to work with the Finance Authority of Maine (FAME), Maine State Housing Authority (MSHA), and DECD to **ensure that service centers and designated growth areas are "ready to serve" potential new and redevelopment projects** that might be inclined to locate in non-center communities and rural areas if they perceive there are no acceptable areas in existing downtowns.

ACCOMPLISHMENTS 1999-2002

Assist Towns with Capital Improvement Planning

- Technical Assistance: The Program continues to help communities develop capital improvement plans through technical assistance and reviewing local comprehensive plans.

Integrate Community Planning and Economic Development

- Maine Downtown Center: In 2000, SPO, DECD, and the MDF worked together to create the Maine Downtown Center as required in statute. Several other state agencies played, and continue to play, a role in the Center's operation including MDOT, MHPC, and MSHA. The Center resides at MDF with a SPO staff member sitting on the Board of Advisors. SPO

provided approximately $200,000 in financial support for grants to Maine communities and coordinated ongoing financial support from itself and six other agencies[40] for the Center's first three years of operation.

- FirstPark: The Kennebec Regional Development Authority is comprised of 24 communities that have committed to share costs and revenues for the FirstPark Business and Technology Center in Oakland. Working together, the towns can reduce development sprawl.
- Housing Analyses: SPO and DECD are considering coordinating SPO planning grants and DECD housing study funds to augment housing analyses in local comprehensive plans.

Target a Portion of Community Development Block Grants

- CDBG: DECD has incorporated preferences for service centers, as Maine's traditional centers of commerce, industry, and commerce, in CDBG scoring criteria.

Establish Set-asides for Grants to Service Centers

- CDBG: While DECD has preferences for service centers for CDBG funds, there is no set aside.

Ensure that Service Centers and Designated Growth Areas are "Ready to Serve"

- Redeveloping Brownfields: With EPA grant funding, SPO and DEP established the Brownfield Site Assessment Services Grant Program and has provided approximately $120,000 in funds for site assessments in three communities. SPO and DEP have applied for additional federal funds to extend the program.
- Affordable Housing: See GOAL D – AFFORDABLE HOUSING
- Sewer Extensions**:** See GOAL D – AFFORDABLE HOUSING

2003 RECOMMENDATIONS

1. Direct Economic Development to Service Centers and Growth Areas*: We recommend that SPO continue to work with various economic development entities such as DECD, FAME, MSHA, and others to assure that economic development investments are location sensitive and reflect smart growth principles as follows:*

a. Establish common state agency policies and practices in grant awards to recognize and reward local economic development initiatives based on consistent comprehensive plans and certified growth management programs.
b. Work with DECD to provide technical assistance to municipalities to integrate land use planning and economic development investments.
c. Continue to work with FAME, MSHA, and DECD to ensure that service centers and designated growth areas are "ready to serve" potential new and redevelopment projects that might be inclined to locate in non-center communities and rural areas if they perceive there are no acceptable areas in existing downtowns.

[40] DECD, DEP, FAME, MDOT, MHPC, and MSHA.

2. Enhance Preference in State and Federal Funding*: We recommend that SPO continue to work with state agencies to assure that policies and grant award practices give preference to economic development in service centers and locally-designated growth areas as follows:*

a. Work with DECD to coordinate funding efforts, particularly CDBGs, for downtowns in service centers and designated growth areas of communities with consistent comprehensive plans and certified growth management programs. Work to strengthen and enhance the likelihood of and preference for grants to service centers to address stagnant or declining populations, high proportions of low income and dependent populations, aged housing stock, and other symptoms of long-term economic and social stress similar to that recognized by federally-designated entitlement communities.
b. Support and expand efforts to link SPO's comprehensive planning grant funds with DECD's housing and planning funds to increase communities' ability to address housing and economic development issues. Work with other agencies to establish similar set-asides regarding comprehensive planning issues that relate to their missions. For example, MDOT may be able to set aside some funds to do transportation plans which would augment SPO comprehensive planning funds.
c. Encourage federally-designated economic development districts to prepare Overall Economic Development Plans and allocate funds to projects that are consistent with local comprehensive plans.

3. Redevelop Downtowns*: We recommend that SPO continue to work with the Maine Downtown Center to encourage redevelopment of downtowns as follows:*

a. Continue to work with DECD, MDOT, MHPC, MSHA and other agencies to provide direct technical and financial assistance to municipalities that are designated Main Street Maine communities and to assist other municipal downtown revitalization efforts.
b. Continue to remove barriers to redevelopment in existing downtowns and remove state subsidy of development outside of downtowns and designated growth areas.
c. Create fiscal and regulatory incentives for municipalities to adopt building rehabilitation codes.

4. Engage Private Sector*: We recommend that SPO support private sector development that enhances Smart Growth as follows:*

a. Work with DECD and the Maine Downtown Center to engage the private sector in planning for affordable housing, transportation networks, attractive communities, and other smart growth principles.
b. Engage the Maine Bond Bank and private lenders to provide greater access to capital for ventures that advance smart growth principles.
c. Continue to build strong relationships with private and nonprofit groups like MERDA and MAR and with MREC.

GOAL D: Affordable Housing

To encourage and promote affordable housing opportunities for all Maine citizens.

1999 RECOMMENDATIONS

- The Office should continue to work with MSHA to **expand the availability of its New Neighbors Program** to other service centers.
- The Office and MSHA should work together to **establish a linkage between the State's affordable housing grant and loan programs and consistent local growth management** strategies.
- The Office should continue to **identify and promote traditional, compact development** using market research where appropriate, alternative design strategies, demonstration projects, and technical assistance.

ACCOMPLISHMENTS 1999-2002

Expand the New Neighbors Program

- Expansion: MSHA expanded the number of participating communities by 166% in the last four years.

Link Affordable Housing Funding and Community Planning

- Affordable Housing: To encourage construction of new neighborhoods closer to services, MSHA's Affordable Subdivisions Financing Program provides financing for residential subdivisions in growth areas that meet MSHA guidelines.

Promote Compact Development

- Public Outreach: SPO studies issues related to smart growth and living in compact neighborhoods and concluded that there are people in Maine who prefer to live on small lots in walkable, mixed-use neighborhoods, but finding a home in such a neighborhood is impossible. SPO will use the study results to create an education campaign about Great American Neighborhoods.
- Hometown Maine: SPO is preparing a design guide for developers and communities to promote the creation of quality, livable Great American Neighborhoods. In addition, where many town ordinances currently prohibit traditional neighborhoods due to lot size and road frontage requirements, SPO is preparing technical assistance materials to help towns revise their ordinances to allow mixed-use, compact neighborhoods.

- Patient Sewer Loan Program: SPO worked with DECD, DEP, MMBB, and the EPA to create a $3 million Patient Sewer Loan Fund Program to provide low-interest loans covering the cost of sewer or sewer extensions to eligible areas with a graduated or "patient" payback provision that keeps payments low at the start of the project as an incentive for communities and developers to create new or add to existing Great American Neighborhoods.
- Livable Affordable Neighborhood Bill: The Legislature amended the statutory definition of affordable housing. The amended bill did not include the Joint Study Committee to Study Growth Management's recommendations to create an Affordable Neighborhood Development Review Board and to support affordable housing development in municipalities where it is a particular challenge. The bill has been reintroduced in the 121st session in both its original form and, separately, linked to a series of incentives.

2003 RECOMMENDATIONS

1. Redirect Housing Assistance*: We recommend that SPO continue to establish links between state and federal housing policies and consistent local comprehensive plans and certified growth management programs as follows:*

a. Continue to work with MSHA to coordinate the State's affordable housing grant and loan programs with local comprehensive plans.
b. Continue to work with MSHA to expand the availability of its New Neighbors Program to other service centers.
c. Work with MSHA to identify federal housing investment policies and programs to support the creation of affordable housing.

2. Address Affordable Housing at the Regional and Local Level*: We recommend that SPO continue to work with municipalities to address affordable housing needs in comprehensive plans and land use ordinances and continue to encourage traditional neighborhood designs and compact development patterns like the Great American Neighborhood as follows:*

a. Find funds for an education campaign about the importance of and pressures on affordable housing and strategies to increase it, including development of Great American Neighborhoods.
b. Promote the rehabilitation and reuse of abandoned, vacant buildings.
c. Work with MSHA to identify methods to encourage affordable housing, including Tax Increment Financing of affordable housing and other incentives, and to remove penalties where they are identified.
d. Promote enactment of the livable, affordable neighborhood bill, with efforts to provide incentives for municipal support of these projects.

3. Conduct Market Research*: We recommend that SPO continue to conduct and use market research to inform housing development strategies as follows:*

a. Conduct a study to determine the impact of affordable housing on property taxes.
b. Conduct market research to update perceptions about housing and neighborhoods, density, and the effectiveness of the affordable housing education campaign.

GOAL E: Water Resources

To protect the quality and manage the quantity of the State's water resources, including lakes, aquifers, great ponds, estuaries, rivers, and coastal areas.

1999 RECOMMENDATIONS

- The Office should continue to **offer technical assistance to communities** and state agencies and focus on the undeniable connection between water quality and land use throughout the watershed. The State should continue to provide and expand the use of preferences for communities with consistent growth management programs in the award of watershed and water quality grants.

- The Office and DEP should study the watersheds of sensitive water bodies and develop protocols for their protection including using **regional models of watershed protection**.

- The State should attempt to map development that falls below current Stormwater Law review thresholds in selected lake watersheds to help identify opportunities for **regional management of impacts on the water body**. If the State identifies a higher rate of development than anticipated, it should alert towns in the watershed to the need for action to manage water quality impacts of development in watersheds of sensitive water bodies.

- The Office and other state agencies that seek to protect water quality or whose activities impact it should continue to **coordinate watershed wide management and protection efforts** using the China and Damariscotta Lake Watershed associations as models.

- The Office and other state agencies should continue to encourage municipalities to **incorporate aquifer and watershed protections in local ordinances** to minimize the negative impacts of development on community and district drinking water sources.

ACCOMPLISHMENTS 1999-2002

Assist Communities

- Nonpoint Education: In collaboration with DEP, SPO has supported the Maine Nonpoint Education for Municipal Officials (NEMO), an educational program for local land use officials that addresses the relationship of land use development to natural resource protection.

Use Regional models for Watershed Protection

- New Meadows River Watershed: The New Meadows River's 23 square mile watershed lies within the Casco Bay watershed that encompasses 44 towns, drains 985 square miles, and is

drained by a 12 river and lake system. The New Meadows River Watershed Project brings together state and municipal officials and citizens from West Bath, Brunswick, Harpswell, Phippsburg, DEP, DMR, SPO, Maine Coastal Program, EPA, Casco Bay Estuary Project, Friends of Casco Bay, New Meadows Lake Association, Bowdoin College, and MER Assessment Corporation to develop protection strategies and engage residents in issues affecting the water and sediment quality and the general health of the living resources of the river.

- Cove Brook: The Cove Brook Watershed Council is a grassroots organization founded in 2001. Winterport's Cove Brook (locally known as Maggie's Brook) is a 10-mile tributary of the Penobscot River. It has been identified by the federal government as one of the eight Maine watersheds with a distinct and endangered population of Atlantic salmon. In addition, the watershed is used for a variety of recreational activities such as snowmobiling, fishing, horseback riding, hiking, and cross-country skiing. One of the Council's goals is to help maintain and support these traditional uses.
- Casco Bay: SPO and DEP are partnering with the Casco Bay Estuary Project to support the Presumpscot River Watch project. The Presumpscot River Watch is dedicated to preserving and improving the health of the Presumpscot River and its watershed by scientific monitoring; sharing data to increase awareness; and serving as a steward for the river through participation in legislative, community, and individual efforts.

Regional Management of Water Bodies

- Stormwater Rules: SPO is working with DEP and stakeholders to revise Maine's Stormwater Rules to incorporate federal National Pollutant Discharge Elimination System Phase II requirements to address stream degradation. The agencies have been examining linkages between stormwater runoff, land use, and water quality degradation and are working to find ways to encourage smart patterns of development while protecting Maine's natural resources. SPO is also working with DEP to develop a handbook for communities interested in establishing and implementing a local or regional stormwater district to meet the development and maintenance needs of stormwater prevention and management.

Coordinate Watershed-wide Management and Protection Efforts

- Water Quality Grants and Loans: To be eligible for the DEP-administered 319(h) Nonpoint Source Pollution Grants and the Patient Sewer Loan Program, communities must have consistent comprehensive plans. The Combined Sewer Overflow Program (See GOAL D – AFFORDABLE HOUSING) and State Revolving Loan Fund for municipal wastewater treatment plans and other sewage improvements both prioritize growth areas designated in consistent comprehensive plans.

Incorporate Aquifer and Watershed Protections in Local Ordinances

- Wetlands Ordinance: SPO, DEP, MDOT, and a group of local and regional planners are developing a model wetlands ordinance to provide localities with the tools to inventory and evaluate their wetlands.

- Drinking Water Protection: Under the auspices of the LWRC, SPO prepared a *Report on an Education Strategy for Public Water Supply Protection Aimed at Municipalities and the General Public* under P.L.1999 Chapter 761. Working through a Drinking Water Education Strategy Advisory Committee, the report outlines a strategy for public drinking water supply protection.
- Drinking Water: DHS' Drinking Water Program now participates in the review of local comprehensive plans.

2003 RECOMMENDATIONS

1. Land Use and Water Quality*: There is an undeniable connection between water quality and land use. We recommend that SPO continue to support efforts to direct growth in a way that minimizes this impact as follows:*

a. Work with DEP to coordinate watershed wide management and protection efforts using the China and Damariscotta Lake Watershed Associations as models.
b. Work with DEP to continue to study the watersheds of sensitive water bodies and develop protocols for their protection including using regional models of watershed protection.
c. Work with DEP to map development that falls below current Stormwater Law review thresholds in selected lake watersheds to help identify opportunities for regional management of impacts on the water body. If the State identifies a higher rate of development than anticipated, it should alert towns in the watershed to the need for action to manage water quality impacts of development in watersheds of sensitive water bodies.
d. Work with DHS to continue to expand the involvement of the Drinking Water Program in smart growth efforts.

2. Inadvertent Impact of Regulation*: In an attempt to protect water and other natural resources, state regulations sometimes have the effect of pushing development outwards and contributing to sprawl rather than fostering compact development in areas where impacts can be managed and minimized. We recommend that SPO work with other state agencies in efforts to protect water and other natural resources to avoid single purpose, well-intentioned efforts that may encourage sprawl and have a greater overall environmental impact as follows:*

a. Support research to understand the effect of regulations on pushing development outwards from traditional compact and designated growth areas, and the impact of compact patterns of growth on water quality.
b. Work with DEP to develop alternative water quality protection programs that achieve the dual goals of water quality protection and compact development.
c. Recognizing that railbeds and other trail opportunities are often located in riparian areas that fall within Resource Protection Districts or under other provisions of Shoreland Zoning, work with DEP and DOC to determine what uses should be permitted in these areas and what standards are needed to protect water quality.
d. Work with DHS to address links between on-site wastewater treatment requirements and the resulting dispersed patterns of development; investigate alternatives such as

community systems and technological innovations to allow for more compact development.

3. Address Water Quality at the Local Level*: We recommend that SPO continue to work with municipalities to address water quality issues in comprehensive plans and land use ordinances as follows:*

a. Work with DEP to expand the use of preferences for communities with consistent comprehensive plans and certified growth management programs in the award of watershed and water quality grants.
b. Work with DEP and DHS to continue to secure federal funding for the Patient Sewer Loan Fund.
c. Expand local technical assistance to address the nexus of water quality and compact development, including water and wastewater systems and stormwater utilities.
d. Continue to encourage municipalities to incorporate aquifer and watershed protections in local ordinances to minimize the negative impacts of development on community and district drinking water sources.
e. Continue to collaborate with the Maine NEMO program and integrate it more closely with local comprehensive planning efforts.
f. Support expansion of the NEMO model to address nonpoint source pollution of coastal waters.

GOAL F: Critical Natural Resources

To protect the State's other critical natural resources, including without limitation, wetlands, wildlife and fisheries habitat, sand dunes, shorelands, scenic vistas and unique natural areas.

1999 RECOMMENDATIONS

- Continue to work with a broad coalition of environmental and natural resource agencies and nongovernmental organizations, including the NAP, IF&W, DMR, Maine Audubon, and Eco/Eco, among others, to **develop regional strategies to protect habitat** and address fragmentation that go beyond regulatory approaches.

- Develop **state funded incentives** (such as technical assistance and planning grants) for municipalities and conservation and recreation interests to cooperatively develop multi-town regional plans that provide for open space and wildlife protection.

- Develop **landowner incentives** (such as property tax relief) or disincentives to encourage land to remain undeveloped.

- Develop **model performance standards** to protect habitats of importance (through a cooperative effort of regional council and the DOC, IF&W, and the Office).

- Initiate **pilot projects** that seek to demonstrate and test the efficacy of planning and management tools and techniques.

- Establish **multi-objective management** (that encompasses habitat protection, but also groundwater and surface water protection, flood mitigation, recreation and open space, quality neighborhoods and community development, historic and archaeological preservation, forest land and agricultural land conservation) as the preferred method of planning for development and conservation by state agencies and municipalities.

- Favor land acquisition programs in areas which have **regional open space plans** (as part of the Public Land Acquisition Advisory Committee guidelines).

- **Amend Land for Maine Future Board criteria** to consider focal areas identified in the Beginning with Habitat program, parcels which connect land already in protected status, and the value of wildlife corridors on property being considered for state purchase.

- Direct **state policies and funds to revitalize city/village centers**.

- Initiate a **publicly funded bond issue to increase the amount of land in public ownership in Maine by 20%,** with special emphasis on protection of natural reserves that would conserve outstanding examples of Maine's native plant and animal habitats.

ACCOMPLISHMENTS 1999-2002

Develop Regional Strategies to Protect Habitat

- Beginning with Habitat: The Beginning with Habitat pilot created a framework for local and regional organizations to protect large blocks of undeveloped lands, wildlife corridors, and important plant and wildlife habitat and natural communities. Beginning with Habitat, a cooperative effort of agencies and organizations, has moved from a pilot stage and is now fully integrated into the comprehensive planning process. This program has forged new ground in three key areas: (1) collaboration among state, federal and non-profit agencies in partnership with private landowners; (2) practical application of Geographic Information System (GIS) technology; and (3) aggressive and effective outreach to and relationship building among comprehensive planning committees, land trusts, and regional councils.
- Wetlands Characterization: This wetlands initiative is a GIS-based planning tool developed to assess the functions of wetlands within a watershed. This project began as a pilot in 12 southern Maine towns and is now available to all of towns.

Incentives

- Land for Maine's Future: The LMF program statute was changed in the fall of 1999 to authorize acquiring land and easements on sites of local and regional significance.
- Coastal Funds: The Maine Coastal Program includes a modest amount of grant funding for habitat planning. The first grant was made to the Mid-Coast Council of Governments for work being done in the St. George River watershed in 2002.
- Habitat Restoration: With grant funds from the National Marine Fisheries Service, SPO, under the auspices of the Gulf of Maine Council, is drafting a regional habitat restoration plan and providing grants to protect and restore coastal and marine habitats.
- Landowner incentives for wildlife habitat protection**:** Governor King's smart growth sub-cabinet committee's action plan: *The Competitive Advantage* calls for developing both wildlife habitat and waterfront tax credits. LWRC reiterated this recommendation in its *Report on the Use of Incentives to Keep Land in Productive Farming, Fishing, and Forestry Use* (see APPENDIX L), prepared as directed by PL 1999, Ch. 776. To date, efforts to enact these tax credits have not been successful.

Develop Model Performance Standards

- Though efforts were made to prepare model performance standards to protect wildlife habitat, they were not finalized over the period of this evaluation.

Initiate Pilot Projects

- See Beginning with Habitat and Wetlands characterization pilots above

Establish Multi-objective Management

- See Beginning with Habitat above

Favor Land Acquisition in areas that have Regional Open Space Plans and Protect Wildlife Corridors

- Land for Maine's Future: The LMF Program has put more emphasis on coordinating its project development with regional and local comprehensive planning and implementation efforts. The LMF board is particularly interested in projects that create open space and habitat protection through corridors, general proximity, and other measures of critical mass.

Increase the Amount of Land in Public Ownership in Maine by 20%

- Land for Maine's Future: Using funds from the 1999 Bond issue, LMF has undertaken over 70 projects over the past several years (See GOAL J – RECREATION AND ACCESS).

Direct State Policies and Funds to Revitalize City/Village Centers

(See GOAL A – DEVELOPMENT SPRAWL AND PUBLIC FACILITIES)

2003 RECOMMENDATIONS

(Note: The recommendations for this goal area overlap with Goals G and H on Marine and Agricultural and Forest Resources. In 2001, the Legislature directed the LWRC to examine incentives for keeping rural lands productive. (See APPENDIX L for a full copy of the report, *Incentives to Keep Rural Land in Productive Fishing, Farming, and Forestry Use.*)

***1. Strategies to Protect Habitat**: We recommend that SPO continue to work with a broad coalition of environmental and natural resource agencies and nongovernmental organizations, including NAP, IF&W, DMR, Maine Audubon, MCHT, EcoEco, and GrowSmart Maine, among others, to promote the importance of retaining large blocks of unfragmented habitat as follows:*

a. Develop regional strategies to protect habitat and address fragmentation that go beyond regulatory approaches.
b. Help establish performance standards, regulatory or otherwise, to monitor and protect areas of state significance. Strategies and standards should address habitats in service centers as well as in rural and growth areas of fast growing and rural communities.
c. Work with state agencies and municipalities to use the Beginning with Habitat model, which integrates planning data from all available sources, to plan for development and conservation of other natural resources including groundwater, surface water, flood prevention and mitigation, recreation and open space, livable neighborhoods, community development, historic and archaeological resources, and forest and agricultural land conservation.
d. Support integration of Beginning with Habitat project services into state conservation (IF&W and DOC) staffing and budget in order to ensure that communities continue to receive important habitat data for planning and technical support to effectively use the information.

2. Keep Rural Lands Productive*: In 2001, the Legislature directed the LWRC examine incentives for keeping rural lands productive. We recommend that SPO continue to work with the DMR, DOC, MDOT, IF&W, DECD, and DAFRR, and the Governor's Office to implement the outstanding recommendations of the LWRC's Report on "Incentives to Keep Rural Land in Productive Fishing, Farming, and Forestry Use" (see APPENDIX L).*

3. Improve Outreach for the Land for Maine's Future Program*: Although the State has made a substantial investment in farmland preservation, the LMF Program has identified a need for more outreach to help solicit and assist in the development of proposals involving farmland preservation. We recommend that SPO continue to work with the LMF Program to identify staff resources to undertake this work. Options include funding positions at the state level, exploring whether USDA and/or University (e.g. Cooperative Extension) employee time might be able to be deployed in this area, contracting with another organization (e.g. the MFT), or establishing a program that would provide small grants to improve the staff capacity of local and regional land trusts and other nonprofits which rely heavily on volunteer labor.*

4. Identify and Strengthen Tax Incentives*: We recommend that SPO assist with the analysis of several tax incentives recommended in the LWRC report as follows:*

a. A wildlife habitat tax incentive for landowners who own important wildlife habitat identified by state or town planning efforts and who agree to enter into a management agreement.
b. A state income tax credit for conservation that would provide an incentive beyond the current federal income tax deduction available for charitable gifts.
c. Transfer of Development Rights (TDRs); how TDRs, which have been used successfully in other parts of the country, might be adapted for use in Maine.

5. Work with Private Land Owners*: Large tracts of land in Maine are privately owned. It is clearly more cost-effective for private landowners to manage their lands in a way that protects the public interest than to attempt to address the problem solely through the acquisition of properties and easements. We recommend that SPO support private land owners as follows:*

a. Continue to look for funds to provide incentives for stewardship (through federal farm bill, MFS, IF&W, etc.).
b. Work with local land trusts to identify state, regional and local priorities and partner on public/private resource development.
c. Explore additional landowner incentives (such as property tax relief) or disincentives to encourage land to remain undeveloped.
d. Continue to investigate mechanisms to effectively transfer equity to and from landowners disproportionately affected by growth management programs (e.g. transfer and purchase of development rights).

6. Address Habitat Protection at the Local Level*: We recommend that SPO continue to work with municipalities to address habitat and open space protection in comprehensive plans and land use ordinances as follows:*

a. Strengthen support for municipal, conservation, and recreation interests to cooperatively develop multi-town regional plans that provide for open space and wildlife protection.
b. Strengthen directives for state policies and funds to enhance and revitalize city/village centers.
c. Provide assistance for municipal road network master planning, which clearly outlines areas for future development and conservation and facilitates efficient use of land in growth areas.
d. Provide information and outreach on the model wetlands ordinance being developed by SPO, supporting municipalities that wish to integrate protection of their wetlands resources with local land use planning.
e. Consider using Maine Coastal Program funds to develop model scenic resource protection ordinances for viewshed, ridgetop, harbor, and community character preservation.
f. Ensure that communities continue to receive 1) plant and wildlife habitat information; and 2) technical support to effectively use this information by providing state support to integrate Beginning with Habitat into the budget and staff of IF&W, DOC, and NAP.

7. Acquire Lands of State, Regional, and Local Significance*: We recommend that SPO continue to coordinate with the LMF Program to support regional open space plans.*

GOAL G: Marine Resources

To protect the State's marine resources industry, ports and harbors from incompatible development and to promote access to the shore for commercial fishermen and the public.

1999 RECOMMENDATIONS

- The Office should continue to **help coastal communities use and adopt comprehensive plans and ordinances** that are consistent with the Act.

- The Office should continue to work with state and federal agencies to **coordinate programs and policies that support the Act's marine resources goal**, create programs that address marine resource needs identified in local comprehensive plans, and provide grant preferences for communities with consistent growth management programs.

ACCOMPLISHMENTS 1999-2002

Help Coastal Communities

- Staffing: Currently, the Maine Coastal Program funds three Program staff to assist coastal communities with land use planning. One member of the staff, who is funded by the General Fund, also assists coastal communities.
- Comprehensive Planning Grants: Of the Office's 43 comprehensive planning grants awarded between 1999-2002, more than 50% were awarded to coastal communities. The Office also awarded 30 Comprehensive Plan Update Grants, of which 43% were to coastal communities. 44% of the 25 implementation grants and 45% of the 11 Smart Growth Challenge grants went to coastal communities.
- Technical Assistance: Staff continued to assist coastal municipalities and, in making its rounds across the State promoting smart growth, SPO spent at least half its time in coastal communities to address their unique resources.

Coordinate Programs and Policies that Support the Act's Marine Resources Goal

- Marine Resources: DMR participates in local planning efforts. Data and expertise that the department has can improve the quality of coastal communities' decision-making with respect to marine resource concerns.
- Working Waterfronts: LWRC completed a report in 2002 for the Legislature's Marine Resources and Natural Resources committees that offers a series of recommendations for improving and expanding coastal access to assure the viability of working waterfronts (see APPENDIX M for "*A Review of the Effectiveness of the Maine Coastal Plan in Meeting the State's Public Access and Working Waterfront Policy Goals*.").

2003 RECOMMENDATIONS

1. Enhance Commercial Access/Working Waterfronts*: Maine's working waterfronts are threatened by competing market forces. Property traditionally used by fishing, lobstering, and other marine industries is rapidly disappearing to high-end housing, office, and nonmarine uses. We recommend that SPO support efforts to achieve the State's public access and working waterfront goals (see APPENDIX L for LWRC's report, "Incentives to Keep Rural Land in Productive Fishing, Farming, and Forestry Use") as follows:*

a. Work with the Maine Coastal Program to educate municipal officials on how to harness public/private waterfront investment; access grant programs; use tools like tax increment financing, transfer of development rights, cooperative ownership, and revolving loan funds; and on using community planning to achieve waterfront development goals.
b. The tax burden on coastal property and on waterfront land is a critical issue that negatively impacts the ability to sustain waterfront businesses and results in displacement of fishers and other long-time coastal residents from waterfront lands. One solution may be to propose a current use tax for fishing industry-related properties.
c. Work with willing municipalities to ensure that traditional shellfish and worming locations remain accessible and unpolluted.
d. Support the $1.5 million proposed in the November 2003 bond package for a new round of funding for MDOT's Small Harbor Improvement Program grants.

2. Address Marine Resources at the Local Level*: The bulk of the State's population lives within the coastal zone and, in both national and state projections, the greatest population growth is anticipated to occur within this same area. We recommend that SPO work with municipalities during the comprehensive planning process to ensure that marine resources are inventoried and discussed. As threats to the health of the resource are identified, strategies to mitigate the threats should be implemented.*

a. Encourage the use of growth management programs to protect working waterfronts, plan for necessary improvement and maintenance of port and harbor infrastructure, protect marine resources, and promote public access to the shore.
b. Work with the Maine Coastal Program to update technical assistance resources and continue to offer modest Right-of-way Discovery grants to defray legal research expenses in asserting public access rights.
c. Work with DMR to provide improved marine resource information to towns.
d. Add a marine habitat component to Beginning with Habitat.
e. Continue to work with state and federal agencies to improve awareness of programs and policies that support the Act's marine resources goal; create programs that address marine resource needs identified in local comprehensive plans and provide grant preferences for communities with consistent comprehensive plans and certified growth management programs.

GOAL H: Agricultural and Forest Resources

To safeguard the State's agricultural and forest resources from development which threatens those resources.

1999 RECOMMENDATIONS

- The Office should continue to explore options to **support natural resource-based industries** and make recommendations to the Legislature, including:
  - **Reimbursing municipalities for land classified in Farm and Open Space** as it does for land in Tree Growth. MRS should continue working with other departments, assessors, and landowners to make the current Farm and Open Space Tax Law more accessible and user-friendly.
  - **Strengthening the Farmland Adjacency Law** and establishing a list of registered farms at DAFRR.
- The Office, working with MFS, DAFRR, and DECD, should continue to **develop and provide tools to municipalities to help manage and preserve productive rural landscapes.**

ACCOMPLISHMENTS 1999-2002

Support Natural Resource-based Industries

- Marketing Assistance: *Food for Thought*, a report by the Agricultural Viability Task Force completed in 2000, contained a number of recommendations, some of which have been implemented. The *Farms for the Future* and *Get Real Maine* campaigns have improved business planning and marketing assistance efforts.
- Farms for Maine's Future: One-time funding was provided to DAFRR to develop a marketing campaign and to establish the *Farms for Maine's Future* Program, modeled on a successful Massachusetts program, that links land protection with business assistance to keep farms in business. The pilot funds for this program will soon run out.
- R&D for greater value added: Agriculture and forestry are two of the priority research and development cluster areas eligible for funding from the Maine Technology Institute.
- Farmland Protection Strategy: SPO, DAFRR, and other agencies are developing a strategic plan to help integrate available farmland protection resources. This strategy will help the LMF Program evaluate proposals to preserve farmland.
- Access Management: In the development of its access management rules, MDOT worked with the forestry industry and LURC to ensure that forest management roads were not burdened by the new rules.

Reimburse Municipalities for Land in Farm and Open Space

- Farm and Open Space**:** The Legislature amended the Farm and Open Tax Law to lessen the penalty for early withdrawal. The penalty, which now meets the constitutional minimum, requires users to pay five years of back taxes and interest to the municipality. DAFRR, MRS, and a team of municipal assessors are working to develop a viable approach to assign current use values to different types of farmland.
- Sales Tax Exemption: The Legislature removed the sales tax on electricity purchased by farmers for development of a wholesale product. Equivalent sales tax had been exempted by the industrial sector for years. This has provided tax relief to farms.
- Municipal Reimbursement: A bill to provide reimbursement to municipalities for revenues lost due to lands classified in Farm and Open Space was passed by both houses with Governor King's support, but ultimately was not funded.

Strengthen Farmland Adjacency Law

- SPO worked with DAFRR, MMA, MFB, MREC, and MAR to develop a viable way for this concept to proceed. The Agriculture, Conservation and Forestry Committee supported the concept but agreement over how the program would be administered was not achieved. There are several challenging aspects, which can pit neighbors against one another over competing rights to make full use of property. Until there is a working GIS that maps affected land parcels, there is no acceptable administrative mechanism. The development of a statewide cadastral layer as recommended in the Maine Geo-Library plan would alleviate administrative problems. Rather than standing alone, adjacency protections might be best considered in the context of an Agricultural District concept.

Assist municipalities with Preserving Productive Rural Landscapes

- Farmland Protection Tools: During the development of the Farmland Protection Strategy in 2001, a subcommittee began to develop Farmland Protection Tools. Also, SPO is developing an Exemplary Plans Clearinghouse, which will include model agriculture and forestry provisions among other topics.
- Regional Efforts: The MRDC has provided an interagency forum to promote smart growth concepts, rural-urban interdependency, and regionalism. Two successful regional organizing efforts (Penobscot Valley Prudent Investments Linking our Towns and Planning for Prosperity in Hancock County) were begun at a conference organized by the MRDC in 2000. SPO continues to support these efforts.
- Farmland Land Trust: Through the collaboration of many active interest groups and supported by SPO, DAFRR, and MCHT, the Maine Farmland Trust, a land trust specializing in farmland protection, was created in 2000. The Trust works with the farming community and provides technical assistance on land conservation. Part-time staff funding has been made possible through private fundraising.
- *What do Trees Have to Do with it*?: This well-written educational publication designed for comprehensive plan committees was produced by the MDF, assisted by SPO.

2003 RECOMMENDATIONS

(Note: These recommendations overlap with those for Goal A, F, and G)

1. Farmland Preservation*: We recommend that SPO continue to work with DAFRR and stakeholder groups like MFB to develop strategies to protect working farms and prevent the sale and development of farmlands (See APPENDIX L for a full copy of the report, Incentives to Keep Rural Land in Productive Fishing, Farming, and Forestry Use) as follows:*

a. Finalize the Farmland Preservation Strategy and work with DAFRR, LMF, and others to use it to strategically target state efforts to protect farmland. Continue to work with DAFRR to engage all stakeholders in a partnership agreement to implement the Farmland Protection Strategy. The strategy emphasizes effective collaboration among farmers, agency service providers, local and regional planning committees, land trusts, and government agencies to facilitate coordinated resource deployment toward recognized local and regional priorities.
b. Continue working with DAFRR and stakeholders to integrate assistance and outreach to landowner, municipal, and land trust constituents.
c. Complete development of a Farmland Protection ToolBox and improve outreach to local comprehensive planning committees.
d. Continue to work with the Legislature to develop a way to reimburse communities for lost tax revenue from current use taxation.
e. Continue to identify and fund farmland preservation projects through the LMF Program; conduct outreach to help solicit and assist in the development of farmland proposals.
f. Work with DAFRR and stakeholders to design an appropriate Agriculture Development District concept for Maine to provide additional integrated state support for farms in critical areas.
g. Continue to support farms as businesses; support Farms for Maine's Future Program and continue state support for marketing of Maine products.
h. Continue to support farmers' markets and other methods of buying local food products.

2. Preserving Forestlands*: We recommend that SPO work with the MFS, SWOAM, and other stakeholders to continue to recognize the relationship between development sprawl and the demise of productive forestland and seek creative solutions together as follows:*

a. Advocate for stable terms for the Tree Growth Tax Program by fixing the terms under which newly enrolled lands are to be managed at the time of enrollment, essentially creating a binding contract between the State and enrolled landowners; alternatively, landowners could be offered a choice to move to the new conditions, but in either event be protected from changes in public policy during their term of enrollment.
b. Advocate for adjustments to the Forest Management Tax Credit to keep up with inflation to encourage the development of forest management plans.
c. Work with MFS, SWOAM, and other stakeholders to consider whether the State should develop more disincentives for liquidation harvesting.

3. Keep Rural Lands Productive*: We recommend that SPO continue to work with various partners to provide incentives to keep rural lands productive as follows:*

a. Adopt an overall policy statement and implementation strategy to support resource-based enterprises and their importance, not only to the State's economy, but to the viability of Maine's rural communities, working landscapes, and cultural heritage.
b. Review state purchasing policies to identify opportunities for and the extent to which state and related public and quasi-public institutions support the market for Maine-made products.
c. Explore options for cooperative health care and retirement plans for those who are self-employed or employed in small natural resource-based businesses and are unable to offer/receive these benefits.
d. Continue to work with the educational system, DECD, DAFRR, and MFS to coordinate the delivery of the State's education, research and economic development resources to Maine's natural resource-based industries, especially small businesses.
e. Continue to seek opportunities to combine land conservation, economic development, and transportation tools (such as MDOT's Access Acquisition Program) for a common desired outcome.

GOAL I: Historic and Archaeological Resources

To preserve the State's historic and archaeological resources.

1999 RECOMMENDATIONS

Since the programs of both the Office and MHPC share common and complementary goals, they coordinate their programs to the greatest extent possible in a way that respects both state and federal National Park Service policies. Areas where greater coordination is possible include:

- **Develop a model ordinance** to assist communities interested in achieving Certified Local Government (CLG) designation under National Park Service guidelines. The heart of the CLG program is in meeting federal standards for establishing the legal framework for preservation, as well as municipal capacity for effective ordinance review.

- **Coordinate award of MHPC grants supporting the development of local historic preservation ordinances** with the Office's awarding of implementation grants.

ACCOMPLISHMENTS 1999-2002

While the above recommendations have not been accomplished, SPO has worked with MHPC on a number of efforts:

- Building Rehabilitation Code: Tied to the effort to revitalize downtowns and protect historic structures, the MHPC was an active participant in the study of a Maine Building Rehabilitation Code which would encourage developers to reuse existing structures rather than raze them or go to undeveloped sites for new construction. To date, efforts to adopt such a code have failed, but related language has been introduced in the 121st Legislature**.**
- Downtowns: The MHPC consistently promotes downtowns as historically important cultural features on the landscape; is an active participant on the Advisory Board of the Maine Downtown Center; and works with private organizations, including Maine Preservation, to increase the awareness of the importance of downtowns.
- Comprehensive Plan Data/Reviews: SPO continues to work with the MHPC to provide data regarding historic and archaeological resources to local comprehensive planning committees. MHPC data detail historic buildings and sites in addition to known or potential archaeological sites. Communities use this information to identify these resources for protection. MHPC is one of the most consistent reviewers of local comprehensive plans, provides insightful reviews, and has proven a strong ally in the fight against sprawl.

2003 RECOMMENDATIONS

1. Address Historic and Archaeological Resources at the Local Level: *We recommend that SPO and the MHPC continue to work with municipalities to protect historic and archaeological resources through comprehensive plans and land use ordinances as follows:*

a. Develop minimum guidelines or performance standards, consistent with the Act, for use by municipalities interested in creating a local historic preservation ordinance and provide whatever technical or financial assistance is appropriate. This coordination will allow a community to receive focused attention and assistance from the two agencies at the time the community is developing its ordinances.
b. Work closely with communities interested in achieving Certified Local Government (CLG) designation under the National Park Service to develop and implement comprehensive preservation programs through local regulation. The heart of the CLG program is in meeting federal standards for establishing the legal framework for preservation, as well as municipal capacity for effective ordinance review.

2. Protection and Rehabilitation: *We recommend that SPO continue to work with legislators, municipal officials, MHPC, the Maine Downtown Center, and others to ensure that historic structures in densely developed areas remain viable locations for commerce, industry, and residences, rather than being prime candidates for razing as follows:*

a. Pursue development of a statewide building rehabilitation code; encourage the redevelopment/reuse of abandoned historic buildings.
b. Continue to pursue enactment of an historic preservation tax credit that would keep existing historical buildings in place and encourage renovation and rehabilitation.

3. Identify and Protect Nontraditional Historic Resources: *Historic districts, as well as individual historic and archaeological resources that are listed in the National Register of Historic Places, are important resources worthy of preservation and protection through local regulation. In addition, the preservation of Maine's traditional village form of development, typically comprised of commercial cores with surrounding neighborhoods and cultural facilities, is critical to addressing sprawl and significant aspects of Maine's history and culture. We recommend that SPO and MHPC work to obtain recognition and protection of the value of these places as follows:*

a. Promote awareness on the historic roles of schools in neighborhoods.
b. Emphasize the significance of traditional compact village districts and the importance of protecting them through a variety of land use regulation and other tools.

GOAL J: Recreation and Access

To promote and protect the availability of outdoor recreation opportunities for all Maine citizens, including access to surface waters.

1999 RECOMMENDATIONS

- The Office should continue to work with other agencies to expand resources, both financial and technical assistance, available to **assist communities that seek to improve their recreation and access opportunities.**

- The Office should continue to work with state agencies to ensure that programs and project **funding for municipal projects are targeted to recreation and access needs** identified as a high priority in communities with consistent growth management programs.

ACCOMPLISHMENTS 1999-2002

Assist Communities with Recreation and Access Opportunities/Target funding

- Land for Maine's Future (LMF): Many of the 70 LMF projects since 1999 include water access for boaters, working forest conservation easements to protect access to hunting and hiking opportunities, and carefully targeted open-space acquisitions in rapidly growing towns to protect recreational opportunities.
- Small Harbor Improvement Program: SHIP, funded through transportation bonds and administered by MDOT, is a municipal grant program that funds piers, floats, boat ramps, and shore stabilization projects. MDOT funded 21 projects ($1.5 million) in 2002. SPO works with MDOT to market and score applications. Preferences for municipalities with consistent comprehensive plans and certified growth management programs are given.
- Right-of-way Discovery Grants: Coastal-funded ROW Discovery Grants help municipalities research forgotten or overlooked public rights-of-way that provide shoreline access. Approximately $12,000 is available in FY 03.
- Land and Water Conservation Fund: LWCF is an important source of funds for preserving open space in rural areas as well as providing recreation in growth areas and has a history of use in Maine for that purpose. DOC's Bureau of Public Lands and SPO have worked to revise LWCF project selection criteria for recreation grants to municipalities in accordance with smart growth principles.
- State Comprehensive Outdoor Recreation Plan: An approved outdoor recreation plan is required by the U.S. Department of the Interior for states to be eligible for Land and Water Conservation funds for outdoor recreation planning, acquisition and development. BPL has identified smart growth as an issue of statewide importance in the 2003-08 plan now being prepared. Anticipated strategies to support smart growth include: developing LWCF and

other grant selection criteria for local recreation facilities that support compact neighborhoods, community centers, trail connections, and protection of rural open space.

2003 RECOMMENDATIONS

1. Expand Resources*: We recommend that SPO work with other agencies to expand resources to assist communities that seek to improve local, regional, and statewide recreational access opportunities as follows:*

a. Work with DOC to direct funding to compact areas to support parks and recreation, open space, tree planting, and general livability of these areas.
b. Continue to favor land acquisition proposals through the LMF Program in areas that provide recreational opportunities and access to recreational lands.
c. Continue to work with funding agencies to integrate smart growth principles into small harbor improvement, boating and other recreational infrastructure, and right-of-way discovery grants.

2. Improve Public Access*: We recommend that SPO support municipal efforts to protect, enhance, and improve public access to outdoor recreation as follows:*

a. Support recommendations of the LWRC in its report, "*Review of the Maine Coastal Plan in Meeting the State's Public Access and Working Waterfront Policy Goals*" (see APPENDIX M).
b. Find balance between the need for access and the desire to protect the quality and character of the resources; work with natural resource agencies and the LWRC to develop a coordinated approach that factors in local needs.

Regional Coordination

A regional coordination strategy must be developed with other municipalities to manage shared resources and facilities, such as rivers, aquifers, transportation facilities, and others.

1999 RECOMMENDATIONS

- State agencies need to provide significant **incentives for communities to work together to address regional issues**, both through grants and technical assistance.
- **State recognition and support for Regional Councils** must be maintained and improved in order to provide Maine's 495 municipalities with a reliable source of assistance in developing coordinated local strategies that address regional issues.
- The Office should continue to work with state agencies and regional organizations that oversee major infrastructure investments to ensure that they **consider the regional impact of these investment decisions**.
- The Office should continue to work with municipalities, regional organizations, and state agencies to **encourage greater use of shared facilities and services,** where appropriate.

ACCOMPLISHMENTS 1999-2002

Provide Incentives for Communities to Work Together to Address Regional Issues

In general, state agencies have not had adequate resources to provide significant incentives for regionalization; but agencies have used federal dollars to provide such incentives as follows:

- Consolidation of Local Services: A number of conversations around consolidation are taking place. The Maine Municipal Association has an incentive for regionalization in its citizen-initiated tax reform proposal. Legislators have introduced bills around the issue for consideration by the 121st Legislature. Local officials in several areas looking at ways to more effectively combine services. The financial and land use impacts of these effort could be significant.
- Community Development Block Grant: DECD offered an effective $1 million CDBG program for *SuperParks* which helped stimulate the successful *FirstPark* involving over 20 municipalities in the Kennebec Valley Region.
- Bangor Area Comprehensive Transportation Study: MDOT secured a $150,000 grant from the FHA in 2001 which was awarded to the BACTS region to develop an integrated regional capital improvement plan.
- Hancock County: In 2002, SPO and the MRDC assisted the Hancock County Planning Commission in securing a $20,000 grant from NOAA to develop a regional framework for

managing growth and conservation in the region. This effort is just getting under way. MDOT is actively engaged and SPO will be working to identify and secure other state agency support for this project.

- Department of Environmental Protection: DEP awards watershed-based, nonpoint source pollution grant funds, available annually from the EPA, with a preference for regional efforts.
- Department of Transportation: MDOT, supported by SPO, is working with the RTAC in the Mid-coast region to organize a regional transportation and land use study of the Route 1 corridor. Incentives are still being developed.
- Maine Coastal Program: Providing technical assistance and federal coastal dollars, SPO has supported several regional efforts including: Planning Alliance of the Damariscotta Estuary, Sunrise County Economic Council, Penobscot Bay Stewards, Southern Maine Beach Protection, Southern Maine Habitat Protection, Union River Watershed Coalition, and Penobscot Bay Stewards.
- Municipal Investment Trust Fund: Criteria for the award of MITF funds place multi-town projects on an even footing with service center projects as the highest priority for the fund.

Recognize and Support Regional Councils

State support of regional councils has been maintained in only a marginal manner (see PROGRAM UPDATE).

- Land Use Planning: SPO supports all 11 councils with an annual sum of $194,000 in state funds, supplemented with $131,000 in federal coastal funds, to perform a part-time program of land use technical assistance and regional planning. The $194,000 has been flat funded for 30 years and today funds one-third of a planner's time in each region.
- Transportation: MDOT provides 9 of the 11 councils with funding to support the RTACs, spending about $245,000 per year. This is insufficient to do the work that needs to be done.
- Community Development: DECD provides funding to 10 of the 11 councils to assist municipalities with preparing CDBG applications.
- Training and Assistance: SPO funded the regional council technical assistance coordinators to attend its two-week Smart Growth Institute in 2001. This was made possible by the one-time Legislative appropriation for the Smart Growth Initiative. SPO also continues to create manuals and publications to support the councils.

Consider the Regional Impact of State Investment Decisions

- Preferences: Since the Act was amended in 2000 to direct state growth-related capital investments to occur in downtowns, service centers and growth areas, SPO has worked with the DOE, BGS, and the Judicial Branch to implement this policy. (See GOAL A – DEVELOPMENT SPRAWL AND PUBLIC FACILITIES)

Encourage Greater Use of Shared Facilities and Services

- Planning Grants: The Act was amended in 2002 to clarify that SPO may award planning and technical assistance grants and review growth management programs jointly undertaken by two or more municipalities.

2003 RECOMMENDATIONS

1. Foster Regional Planning Capacity and Authority*: State recognition and support for regional councils must be maintained and improved in order to provide Maine's 495 municipalities with a reliable regional source of assistance in developing coordinated local strategies that address regional issues. We recommend that SPO strengthen the role of regional councils and other regional entities to effectively address regional land use issues as follows:*

a. Create a regional planning and land management framework that posits some level of responsibility and authority for land use and capital investment decisions in a body whose jurisdiction effectively covers an extended community or labor market area in which habitat, housing, economic activity, transportation, and human services are considered and managed in an integrated fashion for the overall common good. Determine which decisions are appropriate at the municipal, regional, and state levels.
b. Strengthen the role of regional entities in decision-making around state investments; provide funding and technical assistance for developing regional investment plans; establish regional investment authorities to prioritize/recommend investment awards in their regions; require regional guidance in state investments; consider block grant and metropolitan planning organization models to establish regional priorities.

2. Promote Multi-town Planning and Delivery of Services*: State agencies need to provide incentives for communities to work together to address regional issues, both through grants, technical assistance, and access to capital. We recommend that SPO continue to work with municipalities, regional organizations, and state agencies to encourage greater use of shared facilities and services, where appropriate, that will reduce municipal and state costs of providing services and take advantage of economies of scale as follows:*

a. Continue to support emerging grass roots initiatives and, if and when statutory limitations are identified, work to remove those barriers.
b. Promote alternative and new models for regional cooperation and governance; particularly sensitive to fiscal efficiency and citizen accountability.
c. Research and publish analysis of the most effective geographies for various governmental functions to guide regional work.
d. Develop fiscal mechanisms to promote regional efforts.
e. Encourage multi-municipal land use management.

3. State Investments*: Beyond schools and state office buildings, more can be done to plan for or review the regional impacts of state investments, such as the State's effort to consolidate the prison system. Acting as a judicious private landowner would, the State decided to move the Maine State Prison from Thomaston to Warren, where it owned land and another facility. Yet, siting the new facility in Warren has introduced new pressures for growth in a relatively undeveloped area of the region. A framework needs to be established so that the State, when making investment decisions, looks at the regional implications for growth and development. We recommend that SPO continue to work with state agencies and regional organizations that oversee major infrastructure investments to ensure that they consider the regional impact of*

these investment decisions and that the State's investments continue to meet the overall policy objectives of the Act.

4. Understand the Interrelationship of Urban/Suburban/Rural Economies*: Growth-related problems faced by urban, suburban, and rural towns alike, including a lack of growth, are all symptoms of the same problem. The health of service centers is important to the health of suburban and rural areas and vice versa. We recommend that SPO work to enhance an appreciation and understanding of communities' common interests and relationships and provide incentives (eliminate disincentives) to working collectively.*

5. Explore New Forms of Intergovernmental Relations*: In 1997, SPO coordinated an intergovernmental restructuring initiative which identified options for relieving property taxes through more efficient delivery of local services; reducing duplication and fragmentation of services between levels and among units of government; matching the responsibility for providing governmental services with the responsibility for funding those services; and improving communications and consultations between levels of government. We recommend that SPO review and update the recommendations of the Task Force on Intergovernmental Structure.*

Evaluation and Tracking Development

The office shall conduct an ongoing evaluation process to determine the effectiveness of state and local efforts to achieve the purposes and goals of the Act. The office shall seek the assistance of other state agencies. If requested, all state agencies shall render assistance to the office in this effort. In conducting the evaluation, the office shall develop criteria that are objective, verifiable, and quantifiable.

1999 RECOMMENDATIONS

- Convene an interagency and interdisciplinary resource team to develop an efficient, **integrated system to track development** to help evaluate the Program's success in meeting this and other goals of the Act.

ACCOMPLISHMENTS 1999-2002

Develop an Integrated System to Track Development

- Smart Growth Coordinating Committee: The LWRC created this interagency committee to monitor the accomplishments of smart growth efforts in Maine. It published the *Indicators of Livable Communities* report card (see APPENDIX E).
- Pilot Tracking System: SPO is working with MEGIS to pilot a promising development tracking system based on E911 address-assignment reporting. A steering committee to guide this project convened in January 2003.
- Funding Sources: Since 1999, SPO has made regular commitments to further work on the State Geo-Library (which supports our development tracking system). $10,000 in Maine Coastal Program funding was dedicated to this effort in FY01 and another $15,000 in FY03. $50,000 of the Smart Growth Initiative funds was committed in FY02, matched with equal commitments by the DAFS and MDOT. An additional $10,000 was committed by SPO, earmarked for another component of the system.
- Municipal Database: SPO created a municipal database that tracks the consistency status of Maine communities, grants awarded, comprehensive plan and ordinance review processes, and technical assistance calls logged as well as regional geographies and local contacts, among a host of other pieces of information that aids program administration.

2003 RECOMMENDATIONS

1. Mapping Growth Areas*: In order to measure the effectiveness of investment in growth management, the State must implement and fund a cost-effective, coordinated development tracking system. We recommend that SPO continue efforts to establish such a system to track the type and location of growth, supported by the Maine Library of Geographic Information as follows:*

a. Complete creation of and maintain GIS data layer of locally-designated growth areas.
b. Identify and direct funds to incrementally create and maintain the new regionally-based Geo-Library; support recommendations of the *Strategic Plan to Develop the Maine Library of Geographic Information*, including funding the proposed plan of action to include provision of regional GeoCenter technical assistance to municipalities (see APPENDIX O for a copy of the *Strategic Plan to Develop the Maine Library of Geographic Information*).
c. Continue funding of central staffing for the Maine Library of Geographic Information through the State Government Enterprise Fund.
d. Continue to support efforts of MEGIS to identify opportunities for interagency collaboration and funding of data development.

2. Track State Investments in Growth and Rural Areas*: We recommend that SPO initiate discussion with the appropriate state bureaus in DAFS to develop a system to track the location of capital investments with respect to locally-designated growth area.*

3. Livable Communities Indicators*: We recommend that SPO continue to coordinate participating state agencies' data collection and release of two-year updates of the Indicators of Livable Communities Smart Growth report card (see APPENDIX E).*

4. Local Benchmarks*: We recommend that SPO continue to work with communities to build bolder plans that contain benchmarks to gauge interim success and to monitor progress towards desired outcomes.*