

**NATIONAL GOVERNORS CONFERENCE
CENTER FOR BEST PRACTICES**

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For the past three years the Maine State Planning Office has studied development patterns in Maine.

This research has clearly documented that Maine's population is spreading out and that this outward movement has had unanticipated and unintended consequences.

It has increased local and state taxes to pay for new and redundant infrastructure in remote areas.

It has required the lengthening of service routes for police, fire, emergency, road maintenance and plowing.

It has created more air pollution from automobiles, more degradation of lakes from development runoff, and more fragmentation of wildlife habitats.

It has isolated the poor and elderly in cities and disrupted traditional farming and forestry activities in the countryside.

And it has left older city and town centers saddled with a declining population and an under used infrastructure.

Understanding that sprawl is indeed happening in Maine, last fall Governor Angus King called for a statewide community dialog which would first familiarize people with what our chosen pattern of development is costing us, then ask whether we should be concerned and who should pay the cost for our decision to disperse.

To inform this discussion the State Planning Office is undertaking direct market research to better understand who the sprawlers are and why we are moving away from our city and town centers.

The research will also seek to identify the most promising actions the State might take to encourage people to stay in or return to centers.

For the past ten years, the State has looked to its Growth Management Program to control sprawl - - calling for individual towns to define growth and rural areas in their comprehensive plans and ordinances that are consistent with State goals.

We have come to recognize that many forces push or pull growth in a given direction.

Among them are State and Federal investment policies and regulatory practices whose intention to achieve one objective often results in other unintended outcomes.

The new challenge Maine is embracing is to review the public policy and investment practices of government to ensure that they do not contribute to sprawl or thwart the efforts of local planning.

The paradigm is shifting away from simply drawing a boundary between growth and rural areas where development and investment is directed into growth areas.

It is moving toward integrated policies and investments - - in which there are no winners and losers, but where the vital role of both the rural landscape and the village or town center are recognized and supported.

As such the State's coordinated smart growth strategy seeks to do 3 things.

- revitalize "urban" service center communities
- strengthen productive rural landscapes, and
- minimize the fiscal costs, as well as costs to the environment and community character of growth

Having a fairly small staff, the State Planning Office is undertaking this work a piece at a time.

For much of the last two years, the State has focused its efforts on service centers.

This past year a Legislatively appointed Service Center Task Force has researched what a vital, healthy service center community looks like and assessed how Maine's centers are doing against these measures.

Not surprisingly, the demographic and economic vitality of many of the State's service center communities has been seeping away for a number of years, as the exodus of middle income families, the reverse migration of dependent populations, the erosion of retail trade, slow job growth, and high property tax rates and burdens to maintain infrastructure and regional services take their toll.

The Task Force will shortly release recommendations in five major areas.

As the work of the Service Center Task Force progressed the past year, the State Planning Office began to turn its attention to a Rural Initiative that is intended to strengthen the working rural landscape by encouraging sustainable natural resource- based industries.

Working with the Departments of Agriculture, Conservation, and Economic and Community Development, expansion and continuation of this effort will be a major focus of this upcoming year.

Inherent in our approach is the recognition that the problem of rural and urban areas are not separate, but in fact are one - - inner city blight and declining business, suburban sprawl, loss of farmland and other valued natural and economic resources, and loss of our sense of community are all parts to the same problem.

Within this paradigm, Maine State government is seeking to lead by example, focusing simultaneously on a number of different areas.

First, to eliminate hidden subsidies of sprawl that artificially lower costs, skewing the factors citizens weigh when making a decision to move out of a center or to stay.

One such example is the State requirement for a certain amount of land per pupil in order to qualify for State assistance with the expansion or construction of schools.

This policy has forced the construction of many new schools outside of town and village centers into rural lands.

And inevitably, new homes follow.

This year, the Legislature took significant steps to change the way school construction and renovation needs are identified, assessed, and financed.

Among other actions, the Legislature created a new Revolving Renovation Fund to improve the condition of existing school buildings, many of which are located in service center communities.

The legislation also requires that School Administrative Districts commit to maintenance and capital improvement programs in all school buildings.

\$20 million was appropriated as a first phase of capitalization of the Fund.

Previously, state funds were only available to support new construction, which largely supported facilities in outlying suburban and rural communities.

In addition, the legislation changes tuition policy to allow reimbursements from the sending school/community unit to the receiving unit to include capital cost as a factor in addition to instructional cost.

This change provides school in service center communities, such as a regional middle or high school, with the ability to share the costs of an expansion or renovation project with outlying communities whose students attend the school.

The legislation was based on recommendations drafted by the Governor's Commission on School Facilities and earlier School Construction Study Committee.

Additional recommendations of the Governor's Commission would direct the Department of Education to modify existing rules governing school construction to ensure that the most needed projects, whether they involve renovation, repair or new construction, receive priority attention and that in evaluating need, renovation and repair of school facilities are given preferences over new construction where appropriate.

To expand the State's effort to eliminate hidden subsidies, it is important that each agency explore its own policies and practices.

To this end, the Governor has directed the Land and Water Resources Council made up of the Directors and Commissioners of the State's natural resource, planning, environmental, and economic development agencies undertake this analysis.

To assist with effort, the State Planning Office has assigned a staff person to work with each key agency to raise consciousness about the unintended impacts of State policies and investments.

The second area is to serve as an example in the siting and construction of State buildings and facilities.

Over the past year the State Planning Office has worked with the Bureau of General Services to ensure that site selection criteria steer new State buildings toward service centers and designated growth areas in other non-center communities.

As a result a new Police Training Academy will be located in a center rather than in a rural community and new District Courts will be sited in downtowns rather than along suburban strips.

The third area is to provide preferences in grant programs for centers and communities that have local growth management programs that are consistent with State goals.

Even though the basis for this action has been in statute for ten years, the initial response from State agencies is almost uniformly "...but that doesn't apply to us."

But with diligence and perservance (and the statute), we can now point to a lengthening list of grant programs that include preferences for centers and towns with local growth management programs consistent with State goals, including CDBG, Watershed Planning and Nonpoint Source Implementation Grants, Lands For Maine's Future, one of the State's open space acquisition programs, the Scenic Byways Program, and a Small Drinking Water Protection program.

The fourth area, undertaking joint projects, is best illustrated when linked to a fifth area, to utilize the State's ten regional councils to provide direct technical assistance to municipalities on land use planning, transportation, community and economic development and environmental issues and projects.

Four State Agencies, the State Planning Office, Department of Transportation, Department of Economic and Community Development, and Department of Environmental Protection take part in a Consolidated State Contract with the regional councils which increasingly is focused on multijurisdictional topics like watershed planning, corridor planning, redevelopment of brownfields, and the siting of regional industrial super parks.

The sixth area is to reduce regulatory burdens of development in centers.

Efforts in this area are moving more slowly, but have been developed in at least one area.

State transportation level of service standards now are reduced for developments that are proposed within designated growth areas of municipalities.

The seventh area is to target investments in centers and rural areas.

This is occurring on a number of fronts.

In lieu of the Municipal Infrastructure Trust Fund which was established by the Legislature in 1994, but has yet to be funded, the State Planning Office dedicated a portion of its Growth Management and Coastal Zone Management funds to Municipal and Regional Infrastructure Grants to enhance the capacity for economic and community growth in communities that support the goals of the State's Growth Management Program.

Projects range from planning for infrastructure and public facilities to supporting redevelopment of an old Mill District to a downtown redesign and renovation to development of a transit plan.

The Department of Economic and Community Development has dedicated two programs within the CDBG program to support downtown revitalization, housing services, public services, and micro loans for handicap accessibility in centers, as well as a scoring preference for service center communities in its Public Facilities and Infrastructure program.

The Maine State Housing Authority has piloted a New Neighbors Program in neighborhoods in Maine's three largest cities. This program is aimed at improving neighborhoods by helping home buyers purchase 1-4 unit buildings in designated areas. The buyer is required to live in one of the units. To encourage buyers, some mortgage qualification guidelines are relaxed, interest rates and down payment requirements are reduced, and additional money for rehabilitation is available.

It is hoped that the New Neighbor Program will be extended to neighborhoods in other service center communities.

This year, as part of the State's evolving Rural Initiative, the State Planning Office will offer Rural Investment Grants, again using a portion of its Growth Management funds, to strengthen rural natural resource-based industries like farming, forestry, and eco-tourism related activities.

The last area is to support efforts to improve coordination and communications among state, regional and local governments and provide joint services where economies of scale and other efficiencies can be obtained.

Last Fall, the Task Force on Intergovernmental Structure proposed reform in state-county-local relations aimed at permanently reducing property taxes collected by counties statewide by an estimated 62%, greatly expanding the opportunity for joint municipal services, using county government as a vehicle for voluntary cooperation, and reducing the duplication and improving cooperation at all levels of government.

While the Legislature endorsed less than the full proposal, efforts are on going to support the development of regional dispatch services, multi-town public safety agencies, code enforcement, and joint purchasing and sharing of large, specialized public works-equipment.

In closing, I recommend:

- 1.) *State Statute* be it Smart Growth or Growth Management that establishes goals and calls for coordinated State response
- 2.) *Clear direction/support from the Governor* - Executive Orders, Cabinet-level Oversight Committee
- 3.) *Consciousness Raising* of Cabinet and Agency Directors and Commissioners as well as middle management and line employees of costs of sprawl and fact that we are all facing parts of the same problem and are part of the solution.
- 4.) *Development and Implementation of Coordinated Strategy* - like the one discussed in my presentation.