

# MAINE STATE LEGISLATURE

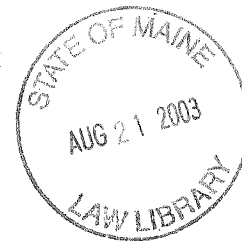
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STATE OF MAINE  
REFERENDUM ELECTION  
JUNE 10, 2003



QUESTION 1: BOND ISSUE

Do you favor a \$60,000,000 bond issue to stimulate economic growth and job creation through investments in research and development, municipal infrastructure and facilities, the Maine Farms for the Future Program and affordable housing, in anticipation of approximately \$134,150,000 in federal and private funds? The bonds would be used for the following purposes: (1) The sum of \$6,000,000 to create jobs and reduce property tax burdens by providing grants and loans to municipalities for public facilities and infrastructure; (2) The sum of \$6,000,000 to create jobs and stimulate economic growth through expanded research, development, technology commercialization and business incubation facilities at the Advanced Engineered Wood Composites Center at the University of Maine; (3) The sum of \$3,000,000 to support educational technology improvements at the University of Maine System; (4) The sum of \$3,600,000 in anticipation of \$12,000,000 in federal and private funding for University of Maine System research and development activities; (5) The sum of \$4,400,000 to expand and equip research and development facilities at the Portland campus of the University of Southern Maine; (6) The sum of \$1,000,000 in anticipation of \$1,000,000 in federal and private funding for grants to nonprofit marine institutions for research and development; (7) The sum of \$20,000,000 for medical research and development by Maine-based biomedical research institutions in anticipation of approximately \$100,000,000 in federal and private funds for health research to cure disease and to retain Maine graduates by providing quality Maine jobs; (8) The sum of \$2,000,000 to support the State's applied technology development centers; (9) The sum of \$3,000,000 to create jobs and stimulate economic growth through the design and construction of the Gulf of Maine Research Laboratory; (10) The sum of \$2,000,000 to support the Maine Farms for the Future Program; (11) The sum of \$1,000,000 to support funding for the University of Maine agricultural research farms; and (12) The sum of \$8,000,000 in anticipation of \$21,150,000 in federal and private funds for affordable housing.

INTENT AND CONTENT

This Act would authorize the State to issue bonds in an amount not to exceed \$60,000,000 to raise funds for a variety of purposes as indicated in paragraphs #1 – 12 of the ballot question. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

The University of Maine System would expend proceeds of the sale of the bonds in the amount of \$18,000,000 for the following purposes, as referenced in paragraphs 2 through 5 and paragraph 11 of the ballot question:

\$6,000,000 (paragraph 2) to expand and equip laboratory and research facilities at the Advanced Engineered Wood Composites Center – a research and learning center located at the University of Maine in Orono and dedicated to the development and commercialization of new products using composite materials;

\$3,000,000 (paragraph 3) to upgrade the educational technology and communications infrastructure for the University of Maine System, statewide;

\$3,600,000 (paragraph 4) to be added to the Maine Economic Improvement Fund and used to provide the state match for federal grant funds to support applied scientific research and related commercial development conducted by the University of Maine System in certain targeted technology areas that are defined by statute;

\$4,400,000 (paragraph 5) to complete construction of the second and third floors of the Research Wing of the Science Building on the Portland campus of the University of Southern Maine, and to purchase laboratory and core facility equipment for use in research and development at that facility; and

\$1,000,000 (paragraph 11) to fund capital improvements and equipment purchases at the agricultural research farms operated by the University, which include Aroostook Farm in Presque Isle, Blueberry Hill Farm in Jonesboro, Highmoor Farm in Monmouth, Rogers Farm in Stillwater and the J.F. Witter Teaching and Research Center in Old Town.

The Department of Economic and Community Development (now re-named the Department of Tourism, Economic and Community Development) would expend proceeds of the sale of the bonds in the amount of \$32,000,000 for the following purposes, as referenced in paragraph 1 and paragraphs 6 through 9 of the question:

\$6,000,000 (paragraph 1) to re-capitalize the existing Municipal Investment Trust Fund, which is administered by the Maine Municipal Bond Bank and used to provide loans and grants to municipalities for public service infrastructure projects. These are defined by statute as facilities that are essential for public health, safety and welfare and include sewage treatment and solid waste facilities, water supply and treatment facilities, public safety equipment and facilities, roads, traffic control devices and other transportation facilities, sidewalks, trees, buried utility lines and other streetscape improvements, parks and other open space or recreational areas, public access to coastal and inland waters, geographic information systems and any other facility that benefits the public;

\$1,000,000 (paragraph 6) for the Marine Infrastructure and Technology Fund (formerly the Maine Marine Research Fund), which will be administered by the Maine Technology Institute through a competitive process of matching grant awards for marine research and development. Private non-profit institutions, including academic institutions, and state governmental and quasi-governmental agencies would be eligible to compete for such grants, but the University of Maine System would not. It is anticipated that these bond funds would be matched by \$1,000,000 in federal and/or private funding through the grant process;

\$20,000,000 (paragraph 7) would be placed in the Maine Biomedical Research Fund, which is administered by the Department and the Maine Biomedical Research Board with the assistance of the Maine Technology Institute and is used to support biomedical research at Maine-based private non-profit research institutions and academic medical centers deemed eligible in accordance with Title 5, section 13103 of the Maine Revised Statutes. Based upon past performance of this program, it is anticipated that the eligible institutions competing for this amount of bond funding would bring in an additional \$100,000,000 in grants from federal agencies and private foundations for biomedical research. If this bond authorization is approved by the voters, a provision of law will take effect that requires annual reports to the Legislature with detailed information on the status of the Maine Biomedical Research Fund, a listing and explanation of each source of funding from grant sources for biomedical research and its use and the number and location of new jobs created in the state;

\$2,000,000 (paragraph 8) would be allocated among four applied technology development centers – the Center for Environmental Enterprise in South Portland, the Thomas M. Teague Biotechnology Park in Fairfield, the River Valley Technology Center in Rumford, and the composite technology center in Greenville – to address priorities of safety and structural integrity, complete renovations currently in process, accomplish planned renovations and provide debt relief for completed projects; and

\$3,000,000 (paragraph 9) would be allocated toward design and construction of the Gulf of Maine Research Laboratory in Portland, to be built and operated by the non-profit corporation, Gulf of Maine Aquarium. The laboratory will be used for marine research, including research in partnership with the fishing community to protect and enhance the commercial fishery of the Gulf of Maine, as well as marine biotechnology research, and it will include facilities to provide educational programs for middle and secondary school students and the general public.

The Department of Agriculture, Food and Rural Resources would expend proceeds of the sale of the bonds in the amount of \$2,000,000 (referenced in paragraph 10 of the question) through the existing Maine Farms for the Future Program, established pursuant to Title 7, chapter 10-B of the Maine Revised Statutes. This program provides technical assistance grants to farmers selected through a competitive process to develop and implement business plans designed to increase the vitality of farms and maintain them in agricultural use.

The Maine State Housing Authority would utilize proceeds of the sale of the bonds in the amount of \$8,000,000 (referenced in paragraph 12 of the question) to support the development of affordable housing projects. Of that amount, \$7,500,000 would be applied to the development of approximately 150 units of new multi-family rental housing, while the balance of \$500,000 would be used to assist families to purchase single family housing under the Maine State Housing Authority's first time home buyer program. It is anticipated that the use of these bond funds would support the additional investment of approximately \$21,000,000 in federal and private funding through mortgage revenue bonds and federal income tax credits.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A "YES" vote approves the authorization of a \$60,000,000 bond issue to finance all of the above listed activities.

A "NO" vote disapproves the bond issue in its entirety.

**Total estimated life time cost is \$74,850,000 representing \$60,000,000 in principal and \$14,850,000 in interest (assuming interest at 4.50% over 10 years).**