

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

SECOND REGULAR SESSION-2000

Legislative Document

No. 2600

S.P. 1027

In Senate, March 3, 2000

**An Act to Implement the Land Use Recommendations of the Task Force
on State Office Building Location, Other State Growth-related Capital
Investments and Patterns of Development.**

Reported by Senator TREAT of Kennebec for the Joint Standing Committee on Natural Resources pursuant to Joint Order S.P. 1014.

Reference to the Committee on Natural Resources suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 5 MRSA §1742-D, sub-§2**, as amended by PL 1991, c. 780,
Pt. Y, §59, is further amended to read:

6 **2. Establish standards; waiver.** The Bureau of General
Services shall establish the following:

8
10 A. Standards for occupant safety and comfort in leased
space ~~must--be~~ that are consistent with law and all
12 applicable building, fire, handicapped accessibility and
environmental codes; and

14 B. By July 1, 1991, standards for space use for all state
16 facilities that ensure the equitable and efficient
distribution of available floor space, including common
18 areas, consistent with cost, program and functional
objectives.

20 The Director of the Bureau of General Services may provide a
22 waiver of the standards and criteria established under this
section if the director concludes that the unique conditions of
24 location, program or employee function require such a waiver or
in order to meet the purpose of Title 30-A, section 4349-A,
26 subsection 2, relating to priority locations for state office
buildings, courts and other state civic buildings.

28 **Sec. 2. 5 MRSA §1742-D, sub-§10** is enacted to read:

30 **10. Downtown Leasehold Improvement Fund.** The Downtown
32 Leasehold Improvement Fund, referred to in this subsection as the
"fund," is established within the Bureau of General Services to
34 assist state agencies in securing suitable space in downtowns
whenever possible by providing for capital improvements to real
36 property leased by the State in downtowns necessary to meet
public health, safety and accessibility requirements of federal,
state and local statutes and codes.

38 The fund is a nonlapsing fund consisting of sums that are
40 appropriated by the Legislature or transferred to the fund from
time to time by the Treasurer of State, the proceeds of notes or
42 bonds issued by the State for the purpose of deposit in the fund,
grants and awards made to the State or an instrumentality of the
44 State by the Federal Government for the purpose for which the
fund has been established and other funds from any public or
46 private source received for use for the purpose for which the
fund has been established.

48 The bureau shall invest in leasehold improvements from this fund
50 only when it determines that the length and other terms of

2 the lease will provide for reasonable use of and return on the
3 investments for the State.

4 The bureau may establish accounts and subaccounts as it
5 determines desirable to effectuate the purpose of the fund.

6
7 **Sec. 3. 5 MRSA §13058, sub-§10-A** is enacted to read:

8
9 **10-A. Maine Downtown Center.** The commissioner shall
10 establish the Maine Downtown Center, referred to in this
11 subsection as the "center," within the department to encourage
12 downtown revitalization in the State.

13
14 **A. The center serves the following functions:**

15 (1) To advocate for downtown revitalization;

16
17 (2) To promote awareness about the importance of vital
18 downtowns;

19
20 (3) To serve as a clearinghouse for information
21 relating to downtown development; and

22
23 (4) To provide training and technical assistance to
24 communities that demonstrate a willingness and ability
25 to revitalize their downtowns.

26
27 **B. The commissioner shall appoint a director of the center**
28 **who shall administer the center in accordance with the**
29 **policies of the commissioner and the provisions of this**
30 **subsection.**

31
32 **C. The commissioner shall collaborate with the Director of**
33 **the State Planning Office within the Executive Department to**
34 **coordinate the programs of the center.**

35
36 **D. For the purposes of this subsection, "downtown" means**
37 **the traditional central business district of a community**
38 **that has served as the center for socioeconomic interaction**
39 **in the community and is characterized by a cohesive core of**
40 **commercial and mixed-use buildings, often interspersed with**
41 **civic, religious and residential buildings and public**
42 **spaces, typically arranged along a main street and**
43 **intersecting side streets, walkable and served by public**
44 **infrastructure.**

45
46 **Sec. 4. 20-A MRSA §15908, sub-§4,** as enacted by PL 1993, c.
47 721, Pt. B, §1 and affected by Pt. H, §1, is amended to read:

2 **4. Consistent siting.** The state board shall adopt criteria
3 governing applications under this chapter to direct construction
4 projects for new schools to areas determined suitable under the
5 provisions of Title 30-A, chapter 187, subchapter II, by the
6 municipality within which the project will be located. The board
7 may not require a minimum contiguous parcel size for the project
8 as a condition of approval. The criteria must require that the
9 municipality in which the project will be located consider, with
10 the assistance of the Executive Department, State Planning
11 Office, priority locations in selecting a school building site.
12 Priority locations are as follows:

13 A. A locally designated growth area, as identified in a
14 comprehensive plan adopted pursuant to Title 30-A, chapter
15 187, subchapter II; or

16 B. In the absence of a comprehensive plan pursuant to
17 paragraph A, an area served by a public sewer system that
18 has the capacity for the school construction project, an
19 area identified by the latest Federal Decennial Census as a
20 census designated place, or a compact area of an urban
21 compact municipality as defined by Title 23, section 754.

22
23 If the municipality does not select a school building site in a
24 priority location, the municipality shall provide a written
25 explanation to the state board explaining why a priority site was
26 not selected. State funds may then be used for the project only
27 if the municipality in which the project will be located
28 certifies to the state board that the municipality's land use
29 regulations do not prohibit, within a 1/4 mile of the edge of the
30 property on which the school construction project will be
31 located, residential development at a density of at least 3
32 dwelling units per acre if the area is served by a public sewer
33 system or at least 1.5 dwellings per acre if the area is not
34 served by a public sewer system. The state board may waive this
35 requirement if the municipality certifies that more restrictive
36 municipal land use regulations are necessary because the area
37 contains wetlands or similar natural resources unsuitable for
38 residential development at that density.

39 **Sec. 5. 30-A MRSA §4301, sub-§§5-A and 5-B** are enacted to read:
40

41 **5-A. Downtown.** "Downtown" means the traditional central
42 business district of a community that has served as the center
43 for socioeconomic interaction in the community and is
44 characterized by a cohesive core of commercial and mixed-use
45 buildings, often interspersed with civic, religious and
46 residential buildings and public spaces, typically arranged along
47
48

2 a main street and intersecting side streets, walkable and served
3 by public infrastructure.

4 **5-B. Growth-related capital investment.** "Growth-related
5 capital investment" means investment in only the following
6 projects, whether using state, federal or other funds, and
7 whether in the form of a purchase, lease, grant, loan, loan
8 guarantee, credit, tax credit or other financial assistance:
9 significant highway projects as defined in rules adopted by the
10 Department of Transportation under Title 23, section 73; the
11 construction or purchase of newly constructed single-family homes
12 or purchase of loans for newly constructed single-family homes;
13 the construction or acquisition of newly constructed multifamily
14 rental housing; the development of industrial or business parks;
15 the construction or expansion of pollution control facilities
16 that expands treatment capacity; the construction or extension of
17 sewer, water and other utility lines; grants and loans for
18 infrastructure, public facilities and community buildings; and
19 construction or expansion of state office buildings, state courts
20 and other state civic buildings that serve public clients and
21 customers. "Growth-related capital investment" does not include
22 projects using funds for the operation or maintenance of a
23 governmental or quasi-governmental facility or program; the
24 construction of school capacity for additional students, provided
25 the requirements of Title 20-A, section 15908, subsection 4 are
26 met; the renovation of an existing school and its related
27 facilities at an existing site that does not add capacity for
28 additional students; the renovation of a governmental facility
29 that does not significantly expand the facility's capacity;
30 general purpose aid for education other than for the construction
31 of new schools and related facilities; community revenue sharing;
32 or public health programs.

34 **Sec. 6. 30-A MRSA §4349**, as amended by PL 1993, c. 721, Pt.
35 B, §2 and affected by Pt. H, §1, is repealed.

36 **Sec. 7. 30-A MRSA §4349-A** is enacted to read:

38 **§4349-A. State capital investments**

40 **1. Growth-related capital investments.** The State may make
41 growth-related capital investments only in:

44 A. A locally designated growth area, as identified in a
45 comprehensive plan adopted pursuant to and consistent with
46 the goals and guidelines of this subchapter;

48 B. In the absence of a consistent comprehensive plan, an
49 area served by a public sewer system that has the capacity
50 for the growth-related project, or an area identified in the

2 latest Federal Decennial Census as a census designated
3 place, or a compact area of an urban compact municipality as
4 defined by Title 23, section 754; or

5 C. Areas other than those described in paragraph A or B for
6 the following projects:

7 (1) A project certified to the Land and Water
8 Resources Council established in Title 5, section 3331
9 by the head of the agency funding the project as
10 necessary to remedy a threat to public health or safety
11 or to comply with environmental clean-up laws;

12 (2) An acquisition of land for a park, conservation,
13 open space or public access or acquisition of an
14 agricultural, conservation or historic easement;

15 (3) A project related to a commercial or industrial
16 activity that, due to its operational or physical
17 characteristics, typically is located away from other
18 development, including natural resource-based industry,
19 such as an agricultural operation, forestry, mineral
20 extraction or power generation; an airport, port or
21 railroad or industry that must be proximate to an
22 airport, a port or a railroad line or terminal; and a
23 pollution control facility;

24 (4) A project that increases the capacity of a highway
25 or bridge that is part of the national highway system
26 or an arterial if the project addresses a regionwide or
27 statewide need and if the project incorporates best
28 access management practices;

29 (5) A project that maintains, expands or promotes a
30 tourist or cultural facility that is required to be
31 proximate to a specific historic, natural or cultural
32 resource;

33 (6) A project located in a municipality that has none
34 of the geographic areas described in paragraph A or B
35 and that prior to January 1, 2000 formally requested
36 but had not received from the office funds to assist
37 with the preparation of a comprehensive plan or that
38 received funds to assist with the preparation of a
39 comprehensive plan within the previous 2 years. This
40 exception expires for a municipality 2 years after such
41 funds are received; or

42 (7) A project certified to the Land and Water
43 Resources Council established in Title 5, section 3331
44

2 by the head of the agency funding the project as having
3 no feasible location within an area described in
4 paragraph A or B, if the Land and Water Resources
5 Council finds that extraordinary circumstances or the
6 unique needs of the agency require state funds for the
7 project.

8 **2. State facilities.** The Department of Administrative and
9 Financial Services, Bureau of General Services shall develop by
10 rule site selection criteria for state office buildings, state
11 courts and other state civic buildings that serve public clients
12 and customers, whether owned or leased by the State, that give
13 preference to priority locations, while ensuring safe, healthy,
14 appropriate work space for employees and clients and accounting
15 for agency requirements. Preference must be given to priority
16 locations in the following order: service center downtowns,
17 service center growth areas and downtowns and growth areas in
18 other than service center communities. If no suitable priority
19 location exists, the facility must be located in accordance with
20 subsection 1. Rules adopted pursuant to this subsection are
21 routine technical rules as defined in Title 5, chapter 375,
22 subchapter II-A.

23 **3. Capital investments that are not growth-related.** When
24 awarding grants or assistance for capital investments or
25 undertaking its own capital investment programs other than for
26 projects listed under section 4301, subsection 5-B, a state
27 agency shall give preference to a municipality that receives a
28 certificate of consistency under section 4348 or that has adopted
29 a comprehensive plan and implementation strategies consistent
30 with the goals and guidelines of this subchapter over a
31 municipality that does not obtain the certificate or finding of
32 consistency within 4 years after receipt of the first installment
33 of a financial assistance grant or rejection of an offer of
34 financial assistance.

35 **4. Application.** This section applies to state capital
36 investments made after June 30, 2000.

37 **Sec. 8. 30-A MRSA §4354, sub-§1, ¶A,** as enacted by PL 1989, c.
38 104, Pt. A, §45 and Pt. C, §10, is amended to read:

39 A. For the purposes of this subsection, infrastructure
40 facilities include, but are not limited to:

- 41 (1) Waste water collection and treatment facilities;
- 42 (2) Municipal water facilities;
- 43 (3) Solid waste facilities;

- 2 (4) Fire protection facilities;
- 4 (5) Roads and traffic control devices; and
- 6 (6) Parks and other open space or recreational areas;
and
- 8 (7) School facilities.

10 **Sec. 9. 30-A MRSA §5903, sub-§§3-B and 3-C** are enacted to read:

12 **3-B. Downtown.** "Downtown" means the traditional central
14 business district of a community that has served as the center
16 for socioeconomic interaction in the community and is
18 characterized by a cohesive core of commercial and mixed-use
20 buildings, often interspersed with civic, religious and
residential buildings and public spaces, typically arranged along
a main street and intersecting side streets, walkable and served
by public infrastructure.

22 **3-C. Downtown improvement.** "Downtown improvement" includes
24 facade, utility relocation or extension, historic preservation
26 and parking and road improvement; elevator, sprinkler system and
28 traffic control devices installation; purchase of development
rights for a park or open space and construction of park and open
space amenities; and streetscape, sidewalk and curb installation
or upgrade.

30 **Sec. 10. 30-A MRSA §5953-D**, as renumbered by RR 1993, c. 2,
32 §27, is amended to read:

34 **§5953-D. Assistance from Municipal Investment Trust Fund**

36 **1. Application for public service infrastructure grants and**
38 **loans.** In addition to the other forms of financial assistance
40 available under section 6006-D, an eligible municipality or group
42 of municipalities may apply for a public service infrastructure
grant or loan from the Municipal Infrastructure Investment Trust
Fund, in this section called the "fund," the proceeds of which
must be used to acquire, design, plan, construct, enlarge,
repair, protect or improve public service infrastructure owned by
the applicant.

44 The bank, in conjunction with the Department of Economic and
46 Community Development, may prescribe an application form or
48 procedure for an eligible municipality or group of municipalities
to apply for a grant or loan under this section. The application

2 must include all information necessary for the purpose of
3 implementing this section and section 6006-D.

4 1-A. Application for downtown improvement loan. In addition
5 to the other forms of financial assistance available under
6 section 6006-D, an eligible municipality or group of
7 municipalities may apply for a downtown improvement loan from the
8 fund, the proceeds of which must be used to acquire, design,
9 plan, construct, enlarge, repair or protect downtown improvements.

10 The bank, in conjunction with the Department of Economic and
11 Community Development, may prescribe an application form or
12 procedure for an eligible municipality or group of municipalities
13 to apply for a loan under this subsection. The application must
14 include all information necessary for the purpose of implementing
15 this section and section 6006-D.

16
17 **2. Loan; loan agreements.** Loans from the fund are subject
18 to this subsection.

19
20 A. The bank may make loans from the fund to an eligible
21 municipality or group of municipalities for one or more of
22 the purposes set forth in subsection 1 and subsection 1-A.
23 Each of the loans is subject to the following conditions.

24
25 (1) The total amount of loans outstanding at any one
26 time from the fund may not exceed the balance of the
27 fund; the proceeds of bonds or notes of the bank
28 deposited in the fund, revenues from other sources
29 deposited in the fund and binding financial commitments
30 of the United States to deposit money in the fund must
31 be included in determining the fund balance.

32
33 (2) The loan must be evidenced by a municipal bond or
34 other debt instrument, payable by the municipality over
35 a term not to exceed 40 years with annual principal or
36 interest payments commencing not later than one year
37 after the project being financed is completed.

38
39 (3) The rate of interest charged for the loans must be
40 at or below market interest rates.

41
42 (4) Subject to the limitations of subparagraph (3),
43 the rate of interest charged for the loans made to
44 municipalities under this section or the manner of
45 determining the rate of interest must be established
46 from time to time by direction of the bank, taking into
47 consideration the current average rate on outstanding
48 marketable obligations.

50

2 B. Loans made to a municipality by the bank under this
section must be evidenced by and made in accordance with the
4 terms and conditions specified in a loan agreement to be
executed by the bank and the municipality. The loan
6 agreement must specify the terms and conditions of
disbursement of loan proceeds. The loan agreement must
8 state the term and interest rate of the loan, the scheduling
of loan repayments and any other terms and conditions
determined necessary or desirable by the bank.

10 **3. Eligibility certification.** The bank may not make a
12 grant or loan to a municipality or group of municipalities under
this section until:

14 A. The applicant certifies to the bank that it has secured
16 all permits, licenses and approvals necessary to construct
the improvements to be financed by the grant or loan;

18 B. In the case of a loan, the applicant demonstrates to the
20 bank that it has established a rate, charge or assessment
schedule that generates annually sufficient revenue to pay,
22 or has otherwise provided sufficient assurances that it
pays, the principal of and interest on the municipal bond or
24 other debt instrument that evidences the loan made by the
bank to the municipality pursuant to the loan agreement
26 under this section and to pay reasonably anticipated costs
of operating and maintaining the financed project and the
28 system of which it is a part;

30 C. In the case of a loan, the applicant certifies to the
bank that it has created a dedicated source of revenue that
32 may constitute general revenues of the applicant through a
general obligation pledge of the applicant for repayment of
34 the loan; and

36 D. The In the case of a public service infrastructure grant
38 or loan, the Department of Economic and Community
Development affirms that the applicant has met the
conditions of this paragraph.

40 (1) A municipality is eligible to receive a grant or a
42 loan, or a combination of both, if that municipality
has adopted a local growth management program certified
44 under section 4348 that includes a capital improvement
program ~~emprised~~ composed of the following elements:

46 (a) An assessment of all public facilities and
48 services, such as, but not limited to, roads and
other transportation facilities, sewers, schools,
50 parks and open space, fire and police;

2 (b) An annually reviewed 5-year plan for the
4 replacement and expansion of existing public
6 facilities or the construction of such new
8 facilities as are required to meet expected growth
and economic development. The plan must include
projections of when and where those facilities
will be required; and

10 (c) An assessment of the anticipated costs for
12 replacement, expansion or construction of public
14 facilities, an identification of revenue sources
available to meet these costs and recommendations
for meeting costs required to implement the plan.

16 (2) A municipality is eligible to receive a loan if
18 that municipality:

20 (a) Has adopted a comprehensive plan that is
22 determined by the ~~Department--of--Economic--and~~
Community-Development Executive Department, State
24 Planning Office to be consistent with section
4326, subsections 1 to 4, ~~and.~~

26 ~~(b)--The request for a loan is part of a complete~~
~~application for financial assistance that is filed~~
~~on or before December 31, 1998.~~

28 Subject to the limitations of this subsection, 2 or more
30 municipalities that each meet the requirements of
32 subparagraphs (1) or (2) may jointly apply for assistance
under this section; and

34 E. In the case of a downtown improvement loan, the
36 Department of Economic and Community Development affirms
38 that the applicant has met the conditions of this
paragraph. A municipality is eligible to receive a downtown
improvement loan if that municipality has:

40 (1) Shown broad-based support for downtown
revitalization;

42 (2) Established a comprehensive downtown revitalization
44 work plan, including a definition and a map of the
affected area;

46 (3) Developed measurable goals and objectives;

48 (4) Demonstrated an historic preservation ethic;

50

- 2 (5) Established an ongoing board of directors, with
 associated committees;
- 4 (6) Provided an adequate operating budget;
- 6 (7) Hired a professional downtown manager;
- 8 (8) Established an ongoing training program for staff
 and volunteers;
- 10 (9) Developed the capacity to report on the progress of
12 the downtown program; and
- 14 (10) Established the ability and willingness to support
16 integrated marketing efforts for retailers, services,
 activities and events.

18 **4. Criteria; conditions for public service infrastructure**
19 **grants and loans.** The Department of Economic and Community
20 Development, in conjunction with the bank, shall develop criteria
21 and conditions for the award of public service infrastructure
22 loans and grants to eligible municipalities after consultation
23 with the Municipal Capital Investment Advisory Commission and
24 subject to the requirements of this section. The department
25 shall:

- 26 A. Give priority to those municipalities that are
27 experiencing rapid growth and possess a public service
28 infrastructure inadequate to accommodate that growth;
- 29 B. Establish a preference for those municipalities eligible
30 under subsection 3, paragraph D, subparagraph (1) over those
31 municipalities eligible under subsection 3, paragraph D,
32 subparagraph (2);
- 33 C. Establish a preference for those municipalities with
34 higher local property tax burdens. The comparative local
35 property tax burden must be determined under section 5681;
- 36 D. Establish a preference for capital investment projects
37 undertaken jointly by 2 or more municipalities or that
38 provide substantial regional benefits;
- 39 E. Adopt other criteria as it determines necessary to
40 ensure that loans and grants made under this section
41 maximize the ability of municipalities to accommodate
42 planned growth and economic development; and
- 43
- 44
- 45
- 46
- 47
- 48

2 F. Condition any loans and grants under this section on
consistency with the municipality's comprehensive plan or
4 local growth management program.

4-A. Criteria; conditions for downtown improvement loans.

6 The Department of Economic and Community Development, in
8 conjunction with the bank, shall develop criteria and conditions
10 for the award of downtown improvement loans to eligible
12 municipalities after consultation with the state agencies listed
14 in subsection 5 and subject to the requirements of this section.
The department shall establish a preference for municipalities
that are regional service centers or urban compact municipalities
or have adopted a comprehensive plan consistent with section 4326.

16 **5. Coordination.** The bank shall coordinate the loans and
grants made under this section with all other community
18 assistance loans and grants administered by the Department of
Economic and Community Development and with other state
20 assistance programs designed to accomplish similar objectives,
including those administered by the Department of Education, the
22 Department of Transportation, the State Planning Office within
the Executive Department, the Finance Authority of Maine, the
Maine State Housing Authority, the Maine Historic Preservation
Commission, the Department of Administrative and Financial
Services, the Department of Conservation and the Department of
26 Environmental Protection.

28 **6. Municipal Capital Investment Advisory Commission.** The
Municipal Capital Investment Advisory Commission is established
30 to provide expert assistance and input to the Department of
Economic and Community Development on the development of loans
32 and grants criteria under this section. The commission is
composed of 5 members who shall serve staggered 4-year terms
34 except that the terms of the initial members are as follows: one
member serves for 2 years; 2 members serve for 3 years; and 2
36 members serve for 4 years. The Governor shall appoint the
members who must each have expertise and experience in municipal
38 government or locally supported regional associations. The
commission shall meet at least twice annually and shall review
40 the loans and grants criteria annually.

42 **7. Report to the Legislature.** The bank shall report to the
joint standing committee of the Legislature having jurisdiction
44 over natural resource matters no later than January 1, ~~1995~~ and
~~biennially thereafter~~ 1st of each odd-numbered year on the loans
46 and grants program. The bank may make any recommendations it
finds necessary to more effectively achieve the purposes of this
48 section, including the appropriation of any necessary additional
funds.

50

2 **Sec. 11. 30-A MRSA §6006-D**, as corrected by RR 1993, c. 2,
§§30 and 31, is amended to read:

4 **§6006-D. Municipal Investment Trust Fund**

6 **1. Establishment; administration.** The Municipal
Infrastructure Investment Trust Fund, referred to in this section
8 as the "fund," is established in the custody of the bank as a
special fund as provided in this section.

10 A. The purpose of the fund is to provide financial
12 assistance under subsection 2 for the acquisition, design,
14 planning, construction, enlargement, repair, protection or
improvement of public service infrastructure and downtown
improvements.

16 B. The bank shall administer the fund. The fund must be
18 invested in the same manner as permitted for investment of
funds belonging to the State or held in the State Treasury.
20 The fund must be established and held separate from any
22 other funds or money of the State or the bank and used and
administered exclusively for the purpose of this section and
section 5953-D. The fund consists of the following:

24 (1) Sums that are appropriated by the Legislature or
26 transferred to the fund from time-to-time by the
Treasurer of State;

28 (2) Principal and interest received from the repayment
30 of loans made from the fund;

32 (3) Capitalization grants and awards made to the State
34 or an instrumentality of the State by the Federal
Government for any of the purposes for which the fund
36 has been established. These amounts must be paid
directly into the fund without need for appropriation
38 by the State;

40 (4) Interest earned from the investment of fund
balances;

42 (5) Private gifts, bequests and donations made to the
44 State for any of the purposes for which the fund has
been established;

46 (6) The proceeds of notes or bonds issued by the State
48 for the purpose of deposit in the fund;

50 (7) The proceeds of notes or bonds issued by the bank
for the purpose of deposit in the fund; and

2 (8) Other funds from any public or private source
3 received for use for any of the purposes for which the
4 fund has been established.

6 **2. Uses.** The fund may be used for one or more of the
7 following purposes:

8
9 A. To make grants and loans to municipalities under this
10 section and section 5953-D;

12 B. To guarantee or insure, directly or indirectly, the
13 payment of notes or bonds issued or to be issued by a
14 municipality for the purpose of financing the construction
15 of any capital improvement described in section 5953-D,
16 subsection 1;

18 C. To guarantee or insure, directly or indirectly, funds
19 established by municipalities for the purpose of financing
20 construction of any capital improvement described in section
21 5953-D, subsection 1;

22 D. To invest available fund balances and to credit the net
23 interest income on those balances to the fund;

26 E. To invest as a source of revenue or security for the
27 payment of principal and interest on general or special
28 obligations of the bank if the proceeds of the sale of the
29 obligations have been deposited in the fund or loaned to
30 eligible participants in the programs financed with the
31 fund, or as a source of revenue to subsidize municipal loan
32 payment obligations; and

34 F. To pay the costs of the bank associated with the
35 administration of the fund and projects financed by it as
36 long as no more than 2% of the aggregate of the highest fund
37 balance in any fiscal year is used for these purposes.

38
39 **3. Establishment of accounts.** The bank may establish
40 accounts and subaccounts within the fund as it determines
41 desirable to effectuate the purposes of this section, including,
42 but not limited to, accounts to segregate a portion of the fund
43 for grants and as security for bonds issued by the bank for
44 deposit in the fund and to be invested for the benefit of
45 specified projects receiving financial assistance from the fund.

46
47 **Sec. 12. Department of Economic and Community Development to**
48 **develop investment policy to assist municipalities and private property**
49 **owners in the redevelopment of downtowns.** The Department of
50 Economic and Community Development shall develop an

2 investment policy that will provide further means to improve the
condition of downtown properties and infrastructure to meet the
multiple-use needs of downtowns. The policy must be based upon a
4 proactive strategy that promotes investment in downtowns by:

6 1. Targeting transportation, economic and business
development funds to assist in renovations to meet the
8 contemporary needs of retail and office businesses and to provide
appropriate access to and circulation within downtowns;

10 2. Encouraging the development and redevelopment of
12 mixed-use spaces, including residential units, in downtowns;

14 3. Providing outreach and active technical assistance to
communities that have state offices or facilities that serve
16 clients to attract state facility development and other downtown
business opportunities; and

18 4. Reviewing and, as appropriate, making recommendations
20 for changes to building, safety and accessibility codes that will
continue to promote the purposes of these codes while
22 streamlining and enhancing the ability to renovate downtown
structures for productive and economical use.

24
The Department of Economic and Community Development shall
26 work with the Bureau of General Services within the Department of
Administrative and Financial Services, the Department of
28 Transportation, the Maine State Housing Authority, the Finance
Authority of Maine, the State Fire Marshal, the State Planning
30 Office within the Executive Department, the Maine Human Rights
Commission and other state agencies in developing this state
32 policy. It shall submit a report, including its proposed policy
and any implementing legislation, to the joint standing committee
34 of the Legislature having jurisdiction over business and economic
development matters by January 15, 2001. The joint standing
36 committee of the Legislature having jurisdiction over business
and economic development matters may report out a bill to the
38 First Regular Session of the 120th Legislature concerning the
proposed policy.

40
Sec. 13. Task Force to Study Growth Management. The Task
42 Force to Study Growth Management, referred to in this section as
the "task force," is established.

44
1. The task force consists of 16 members appointed as
46 follows:

48 A. One member from the Senate who serves on the Joint
Standing Committee on Natural Resources, appointed by the
50 President of the Senate;

- 2 B. Two members from the House of Representatives, at least
4 one of whom serves on the Joint Standing Committee on
Natural Resources, appointed by the Speaker of the House of
6 Representatives;
- 8 C. The Director of the State Planning Office within the
Executive Department or the director's designee;
- 10 D. The Commissioner of Environmental Protection or the
12 commissioner's designee;
- 14 E. The Commissioner of Economic and Community Development or
the commissioner's designee;
- 16 F. Two members representing environmental interests, one of
18 whom is appointed by the President of the Senate and one of
whom is appointed by the Speaker of the House;
- 20 G. Three members representing municipal interests, 2 of whom
22 are appointed by the President of the Senate and one of whom
is appointed by the Speaker of the House;
- 24 H. Two members representing regional councils, one of whom
26 is appointed by the President of the Senate and one of whom
is appointed by the Speaker of the House;
- 28 I. One member representing a statewide planning association,
30 appointed by the Speaker of the House; and
- 32 J. Two members representing real estate or development
34 interests, one of whom is appointed by the President of the
Senate and one of whom is appointed by the Speaker of the
House.

36 The Senate member and the first House member named are the
38 cochaIRS of the task force. All appointments must be made no
later than 15 days following the effective date of this Act. The
40 appointing authorities shall notify the Executive Director of the
Legislative Council upon making their appointments. The cochaIRS
42 of the task force shall call and convene the first meeting of the
task force within 30 days of the date the last member is
44 appointed.

46 2. The duties of the task force are as follows.

48 A. The task force shall conduct a targeted review of the
growth management laws with the goal of improving the law to
50 make it more responsive to the issues of sprawl. In its
review, the task force shall evaluate whether the growth

2 management program works well in very small municipalities
3 and in municipalities experiencing greater or less growth.
4 The task force shall also consider ways to strengthen the
5 State's enabling legislation for impact fees. The task
6 force shall develop recommendations to make the growth
7 management laws more effective in controlling sprawl,
8 including recommendations on funding, staffing and statutory
9 changes. In developing its recommendations, the task force
10 shall consider appropriate regional models for growth
11 management.

12 B. The task force shall establish an advisory working
13 group, including people outside of the task force, to review
14 municipal subdivision law and its impact on local planning
15 and growth management and to consider recommendations to
16 streamline the local review process and to make the law a
17 more effective tool in the planning process. The task force
18 may establish additional advisory working groups as it
19 considers appropriate.

20
21 3. The task force shall complete its work by November 1,
22 2000 and submit its report, together with any implementing
23 legislation, to the First Regular Session of the 120th
24 Legislature. If the task force requires an extension of time to
25 make its report, it may apply to the Legislative Council, which
26 may grant the extension.

27 4. Members of the task force who are Legislators are
28 entitled to receive the legislative per diem and reimbursement of
29 necessary expenses for their attendance at authorized meetings of
30 the task force. Public members not otherwise compensated by
31 their employers or other entities whom they represent are
32 entitled to receive reimbursement of necessary expenses and a per
33 diem equal to the legislative per diem for their attendance at
34 authorized meetings of the task force.

35
36 5. Upon approval of the Legislative Council, the Office of
37 Policy and Legal Analysis shall provide necessary staffing
38 services to the task force.

39
40 6. The cochairs of the task force, with assistance from the
41 task force staff, shall administer the task force's budget.
42 Within 10 days after its first meeting, the task force shall
43 present a work plan and proposed budget to the Legislative
44 Council for approval. The task force may not incur expenses that
45 would result in the task force exceeding its approved budget.

46
47 **Sec. 14. Report on rural lands.** The Land and Water Resources
48 Council shall submit a report to the Legislature by

January 15, 2001 with an evaluation of and recommendations on the use of incentives to keep rural land undeveloped.

Sec. 15. Brownfields initiative; report. The Executive Department, State Planning Office and the Department of Environmental Protection shall undertake an initiative to promote the Maine Municipal Brownfields Revolving Loan Fund administered by the Maine Municipal Bond Bank, and the voluntary response action program, administered by the Department of Environmental Protection pursuant to the Maine Revised Statutes, Title 38, section 343-E, and shall submit a joint report by January 15, 2001 to the joint standing committee of the Legislature having jurisdiction over natural resources matters with an evaluation of the initiative and recommendations for expanding the redevelopment in the State of abandoned, idled or underused industrial or commercial property where expansion or redevelopment is complicated by real or perceived environmental contamination, also known as "brownfields."

Sec. 16. Review of state codes. The Office of the State Fire Marshal within the Department of Public Safety shall convene a stakeholders group, including the Department of Public Safety, the Bureau of General Services within the Department of Administrative and Financial Services, the Historic Preservation Commission, local code enforcement officers and disability rights advocates, to review state codes and federal regulations that restrict the reuse of existing structures and to recommend revisions to encourage renovation of existing buildings. As part of its review, the stakeholders group shall review New Jersey's rehabilitation subcode for existing buildings undergoing renovations and its applicability to Maine. The Office of the State Fire Marshal shall submit a report with its recommendations by January 15, 2001 to the joint standing committee of the Legislature having jurisdiction over natural resources matters and the joint standing committee of the Legislature having jurisdiction over economic development matters.

Sec. 17. Model ordinances. The Executive Department, State Planning Office shall work with municipalities and regional planning commissions to develop model land use ordinances that accommodate so-called "smart growth" design standards and provide for flexibility in zoning regulations to allow for traditional, compact development in designated growth areas and to preserve and revitalize existing neighborhoods.

Sec. 18. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

2000-01

2 **ADMINISTRATIVE AND FINANCIAL**
3 **SERVICES, DEPARTMENT OF**

4 **Information Services**

6 Positions - Legislative Count (1,000)
7 Personal Services \$50,000
8 All Other 25,000
9 Capital Expenditures 10,000

10
11 Provides for the appropriation of funds to
12 establish a Statewide Geographic Information
13 System Coordinator position.

14
15 **DEPARTMENT OF ADMINISTRATIVE AND**
16 **FINANCIAL SERVICES**

17 **TOTAL**
\$85,000

18
19 **EXECUTIVE DEPARTMENT**

20 **State Planning Office**

21
22 All Other \$4,750,000

23
24 Provides funds for grants for financial and
25 technical assistance to municipalities,
26 grants to regional councils and alternative
27 growth management initiatives. At the end
28 of each fiscal year, any unexpended balance
29 may not lapse but must be carried forward to
30 be used for the same purpose.

31
32 **EXECUTIVE DEPARTMENT**
33 **TOTAL**

\$4,750,000

34
35 **TOTAL APPROPRIATIONS**

\$4,835,000

36
37 **Sec. 19. Appropriation.** The following funds are appropriated
38 from the General Fund to carry out the purposes of this Act.

39
40
41 **2000-01**

42
43 **ADMINISTRATIVE AND FINANCIAL**
44 **SERVICES, DEPARTMENT OF**

45
46 **Downtown Leasehold Improvement**
47 **Fund**

2 All Other \$800,000

4 Provides for the appropriation of funds to
 6 capitalize the Downtown Leasehold
 8 Improvement Fund for capital improvements to
 10 leased space. At the end of each fiscal
 year any unexpended balance may not lapse
 but must be carried forward to be used for
 the same purpose.

12 **Sec. 20. Appropriation.** The following funds are appropriated
 14 from the General Fund to carry out the purposes of this Act.

16 **2000-01**

18 **MAINE MUNICIPAL BOND BANK**

20 **Municipal Investment Trust
 Fund**

22 All Other \$5,000,000

24 Provides for the appropriation of funds to
 26 capitalize the Municipal Investment Trust
 Fund for downtown improvement loans to
 municipalities.

28 **Sec. 21. Appropriation.** The following funds are appropriated
 30 from the General Fund to carry out the purposes of this Act.

32 **2000-01**

34 **ECONOMIC AND COMMUNITY
 DEVELOPMENT, DEPARTMENT OF**

36 **Administration - Economic and
 38 Community Development**

40 Positions - Legislative Count (1,000)
 Personal Services \$60,000
 42 All Other 190,000

44 Provides for the appropriation of funds to
 46 establish a Director, Maine Downtown Center
 position and to encourage downtown
 revitalization in Maine communities.

48

2 **DEPARTMENT OF ECONOMIC AND**
3 **COMMUNITY DEVELOPMENT**
4 **TOTAL**

_____ \$250,000

6 **Sec. 22. Retroactivity.** Those sections of this Act that repeal
7 the Maine Revised Statutes, Title 30-A, section 4349 and enact
8 Title 30-A, section 4349-A apply retroactively to state capital
9 investments made after June 30, 2000.

10 **SUMMARY**

11 This bill implements the recommendations of the Task Force
12 on State Office Building Location, Other State Growth-related
13 Capital Investments and Patterns of Development that relate to
14 land use policy. The bill establishes the Downtown Leasehold
15 Improvement Fund to assist state agencies in securing space in
16 downtowns whenever possible by providing for capital improvements
17 to real property leases and appropriates \$800,000 to capitalize
18 the fund.

19 The bill establishes the Maine Downtown Center within the
20 Department of Economic and Community Development to encourage
21 downtown revitalization in Maine communities through advocacy,
22 information, training and technical assistance to communities.

23 The bill requires municipalities in which construction
24 projects for new schools will be located to consider, with the
25 assistance of the Executive Department, State Planning Office,
26 priority locations in selecting a school building site. Priority
27 locations are identified as locally designated growth areas
28 identified in a comprehensive plan or, in the absence of a
29 comprehensive plan, areas served by a public sewer system, areas
30 identified as census designated places or compact areas of urban
31 compact municipalities. If a municipality does not select a
32 priority location, state funds may be used for the project only
33 if the municipality's land use regulations do not prohibit denser
34 residential development within 1/4 mile of the school property.

35 The bill defines state growth-related capital investments
36 and directs them to locally designated growth areas as identified
37 in local comprehensive plans, or, if there is no comprehensive
38 plan, to areas with public sewers capable of handling the
39 development, to areas identified as census designated places or
40 to compact areas of urban compact municipalities as defined in
41 transportation law. Exceptions are made for state investments
42 required to remedy threats to public health and safety; to
43 mitigate nonpoint sources of pollution; to purchase land for
44 parks, open space and conservation; to assist natural
45 resource-based industries and other activities that by their
46

2 nature are typically located away from other development; to
3 expand highways that meet national, state or regionwide needs;
4 and for tourist and cultural facilities that rely on specific
5 historic, natural or cultural resources. An exception also is
6 made for municipalities that, prior to January 1, 2000, have
7 requested but have not yet received state financial assistance
8 for the preparation of a comprehensive plan or that have received
such assistance within the previous 2 years.

10 The bill requires the Department of Administrative and
11 Financial Services, Bureau of General Services to develop site
12 selection criteria for state facilities that give preference to
13 priority locations, identified as service center downtowns,
14 service center growth areas and downtowns and growth areas in
15 other than service center communities. The bill directs the
16 Department of Economic and Community Development to develop an
17 investment policy that will provide means to improve the
18 condition of downtown properties and infrastructure to meet the
19 multiple-use needs of downtowns and to report its recommendations
20 to the Legislature by January 15, 2001.

22 The bill adds school facilities to the list of
23 infrastructure facilities for which impact fees may be used by
24 municipalities.

26 The bill authorizes the Maine Municipal Bond Bank to make
27 loans to municipalities from the Municipal Investment Trust Fund
28 for downtown improvements, including facade improvements, utility
29 relocation improvements, elevator installation, historic
30 preservation improvements, sprinkler system installation, parking
31 improvements, roads, traffic control devices, parks and open
32 space amenities, purchase of development rights for parks and
33 open space, streetscape, sidewalks and curbs and utility upgrade
34 and extension. The bill appropriates \$5,000,000 for downtown
35 improvement loans.

36 The bill establishes the Task Force to Study Growth
37 Management, composed of 16 members, to conduct a review of the
38 growth management laws and issues related to growth management.

40 The bill requires the Land and Water Resources Council to
41 submit a report to the Legislature with an evaluation of the use
42 of incentives to keep rural land undeveloped. The bill requires
43 the State Planning Office and the Department of Environmental
44 Protection to promote the Maine Municipal Brownfields Revolving
45 Loan Fund and the voluntary response action program and to submit
46 a joint report by January 15, 2001 to the Legislature with an
47 evaluation of the initiative and recommendations for expanding
48 the redevelopment of so-called "brownfields" in the State.
49

50

2 The bill requires the Department of Public Safety, Office of
the State Fire Marshal to convene a stakeholders group to review
4 state codes and federal regulations that restrict the reuse of
existing structures and to recommend revisions to encourage
6 renovation of existing buildings. The bill also requires the
State Planning Office to work with municipalities and regional
8 planning commissions to develop model land use ordinances that
accommodate so-called "smart growth" design standards and provide
10 for flexibility in zoning regulations to allow for traditional,
compact development in designated growth areas and to preserve
and revitalize existing neighborhoods.

12
14 The bill appropriates funds for the position of Statewide
Geographic Information System Coordinator within the Office of
Geographic Information Systems. The bill also appropriates funds
16 for grants for financial and technical assistance to
municipalities, grants to regional councils and alternative
18 growth management initiatives.