

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 775

S.P. 302

In Senate, February 26, 2009

An Act To Authorize a General Fund Bond Issue To Fund the Communities for Maine's Future Program

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in black ink, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by President MITCHELL of Kennebec.
Cosponsored by Representative ROTUNDO of Lewiston and
Senators: BARTLETT of Cumberland, BOWMAN of York, MARRACHÉ of Kennebec,
MILLS of Somerset, RAYE of Washington, SULLIVAN of York, Representatives:
BEAUDETTE of Biddeford, BERRY of Bowdoinham, FOSSEL of Alna, MILLETT of
Waterford, Speaker PINGREE of North Haven, PIOTTI of Unity, SMITH of Monmouth.

1 covenants of significant endangered historic buildings by qualified nonprofit historic
2 preservation organizations in the State.

3 **Sec. A-6. Conditions and requirements.** Use of the proceeds of these bonds is
4 subject to the following conditions and requirements:

5 1. As determined by the Communities for Maine's Future Review Panel under the
6 administration of the Department of Economic and Community Development, the bond
7 funds must be expended for downtown or village center community infrastructure,
8 including but not limited to streetscape improvements, parks, walkways and
9 improvements to public-owned and nonprofit-owned buildings and must be matched with
10 at least \$25,000,000 in public and private contributions. Seventy percent of that amount
11 must be in the form of cash or other tangible assets. The remaining 30% may be matching
12 contributions and may include the value of project-related, in-kind contributions of goods
13 and services.

14 2. Of the bond proceeds, \$2,000,000 must be allocated to the Other Special Revenue
15 Funds account within the Maine Historic Preservation Commission. Payment from bond
16 proceeds may be made by the Maine Historic Preservation Commission to qualified
17 nonprofit historic preservation organizations in the State for the purpose of acquisitions of
18 significant endangered historic buildings of local, state or national significance, as
19 determined by the commission, including all costs associated with such acquisitions.
20 These properties may then be resold subject to preservation easements or covenants held
21 by the qualified preservation organization to ensure their protection for the purposes of
22 this Part. Part of the acquisition cost for all acquired properties may be a conditions study
23 completed by the cooperating organization and approved by the commission and may
24 include a fee for maintaining a preservation easement. Net proceeds from the resale of
25 properties will be returned to the Other Special Revenue Funds account within the Maine
26 Historic Preservation Commission to be used exclusively for the acquisition of additional
27 historic properties, except that no more than 5% of the fund balance may be used by the
28 commission to fund administration of the program by cooperating organizations.

29 To the extent the purposes are consistent with the disbursement provisions in this
30 Part, 100% of the bond proceeds may be considered as state match for any federal
31 funding to made available to the State.

32 **Sec. A-7. Allocations from General Fund bond issue.** The proceeds of the
33 sale of the bonds authorized under this Part must be expended as designated in the
34 following schedule.

35 **DEPARTMENT OF ECONOMIC AND**
36 **COMMUNITY DEVELOPMENT**

37		
38	Provides funds to make investments under	\$25,000,000
39	the Communities for Maine's Future	
40	Program in competitive community and	
41	economic revitalization projects, which	
42	must be matched with at least \$25,000,000.	

1
2 **MAINE HISTORIC PRESERVATION**
3 **COMMISSION**

4
5 Establishes a revolving fund for the \$2,000,000
6 purpose of acquiring significant historic
7 properties.

8 **Sec. A-8. Contingent upon ratification of bond issue.** Sections 1 to 7 do not
9 become effective unless the people of the State ratify the issuance of the bonds as set
10 forth in this Part.

11 **Sec. A-9. Appropriation balances at year-end.** At the end of each fiscal year,
12 all unencumbered appropriation balances representing state money carry forward. Bond
13 proceeds that have not been expended within 10 years after the date of the sale of the
14 bonds lapse to General Fund debt service.

15 **Sec. A-10. Bonds authorized but not issued.** Any bonds authorized but not
16 issued, or for which bond anticipation notes are not issued within 5 years of ratification of
17 this Part, are deauthorized and may not be issued, except that the Legislature may, within
18 2 years after the expiration of that 5-year period, extend the period for issuing any
19 remaining unissued bonds or bond anticipation notes for an additional amount of time not
20 to exceed 5 years.

21 **Sec. A-11. Referendum for ratification; submission at election; form of**
22 **question; effective date.** This Part must be submitted to the legal voters of the State at
23 a statewide election held in the month of November following passage of this Act. The
24 municipal officers of this State shall notify the inhabitants of their respective cities, towns
25 and plantations to meet, in the manner prescribed by law for holding a statewide election,
26 to vote on the acceptance or rejection of this Part by voting on the following question:

27 "Do you favor a \$27,000,000 bond issue to provide capital investment to
28 stimulate local economic development, revitalize downtowns and village
29 centers and preserve and rehabilitate historic properties to be matched by
30 at least \$25,000,000 in public and private contributions?"

31 The legal voters of each city, town and plantation shall vote by ballot on this question
32 and designate their choice by a cross or check mark placed within a corresponding square
33 below the word "Yes" or "No." The ballots must be received, sorted, counted and
34 declared in open ward, town and plantation meetings and returns made to the Secretary of
35 State in the same manner as votes for members of the Legislature. The Governor shall
36 review the returns. If a majority of the legal votes are cast in favor of this Part, the
37 Governor shall proclaim the result without delay and this Part becomes effective 30 days
38 after the date of the proclamation.

1 The Secretary of State shall prepare and furnish to each city, town and plantation all
2 ballots, returns and copies of this Part necessary to carry out the purposes of this
3 referendum.

4 **PART B**

5 **Sec. B-1. 5 MRSA §13056-D** is enacted to read:

6 **§13056-D. Communities for Maine's Future Program**

7 **1. Program established; administration.** The Communities for Maine's Future
8 Program, referred to in this section as "the program," is established within the department
9 to assist and encourage communities to revitalize and to promote community
10 development and enhance projects. The department shall administer the program to
11 provide funding for the rehabilitation, revitalization and enhancement of downtowns and
12 village centers and main streets in the State. All funds received for this program must be
13 deposited into Communities for Maine's Future Fund established in subsection 7.

14 **2. Review panel.** The Community for Maine's Future Review Panel, referred to in
15 this section as "the panel," is established to evaluate proposals and determine funding
16 under the program. The panel consists of:

17 **A. The commissioner;**

18 **B. The Director of the Maine Historic Preservation Commission;**

19 **C. The Director of the State Planning Office within the Executive Department; and**

20 **D. Four members of the public, one with experience in economic and community**
21 **development, one with experience in historic preservation, one with experience in**
22 **downtown revitalization and one with experience in tourism development and**
23 **promotion. The first 2 of these members are appointed by the President of the Senate**
24 **and the remaining 2 by the Speaker of the House.**

25 **3. Review process.** The panel shall review proposals for funding under the program
26 in accordance with this subsection.

27 **A. The panel shall establish the deadline by which proposals must be postmarked**
28 **and received.**

29 **B. Department staff shall undertake the initial review and preliminary scoring of**
30 **proposals.**

31 **C. A subcommittee appointed by the panel to score proposals shall review and**
32 **determine the final score for the proposals.**

33 **D. A subcommittee appointed by the panel to nominate finalists shall review all of**
34 **the proposals, identify issues for full review and discussion by the panel and**
35 **recommended project finalists to the full panel for detailed review and consideration.**

36 **E. The panel shall review all the proposals submitted, select the finalists and allocate**
37 **funding.**

38 **In reviewing proposals, the panel shall use the scoring system established in subsection 5.**

- 1 **4. Applicant requirements.** An applicant for funding under this section must:
- 2 A. Be a city or town; and
- 3 B. Demonstrate the capacity to undertake the project with a reasonable prospect of
4 bringing it to a successful conclusion. In assessing an applicant's ability to meet the
5 requirements of this paragraph, the panel may consider all relevant factors, including
6 but not limited to the applicant's level of debt; fund-raising ability; past economic and
7 community development activities; grants from federal, state or local sources;
8 previous historic preservation, rehabilitation or enhancement activity; organizational
9 history; scope of economic or revitalization vision; and evidence of success in
10 previous efforts.
- 11 **5. Scoring system.** The department and the panel shall develop a scoring system for
12 use by the panel in evaluating proposals under this section. The scoring system must be
13 designed to identify those projects that are most aligned with the State's economic and
14 community development and historic preservation and enhancement priorities. The
15 scoring system must assign points according to the relative value of:
- 16 A. The economic significance of the proposed project to the immediate vicinity and
17 to the State as a whole;
- 18 B. The level of compatibility with the historic community character;
- 19 C. The value of the proposed project with respect to historic preservation and
20 rehabilitation;
- 21 D. The value of the proposed project with respect to downtown revitalization;
- 22 E. The value of the proposed project to encourage or accomplish sustainable, mixed-
23 use, pedestrian-oriented or transit-oriented development;
- 24 F. The extent to which the proposed project meets or exceeds minimum energy
25 efficiency standards, uses green building practices or materials, or both;
- 26 G. The value of the proposed project with respect to tourism promotion and
27 development;
- 28 H. The degree of community support for the proposed investment;
- 29 I. The extent to which the proposed project involves with other preservation
30 partnerships and meets multiple criteria within this section;
- 31 J. The match provided by the applicant; and
- 32 K. Related public funding sources supporting the project.
- 33 **6. Additional criteria.** In addition to evaluating the proposals using the scoring
34 system established in subsection 5, the panel shall also consider criteria in reviewing a
35 proposal:
- 36 A. The level to which a proposal supports the open space or recreation objectives, or
37 both, of a local comprehensive plan;

1 B. The extent to which a project is consistent with an adopted comprehensive plan
2 that meets the standards of the laws governing growth management pursuant to Title
3 30-A, chapter 187;

4 C. The extent to which a project is consistent with an existing strategic plan for
5 downtown or village center revitalization;

6 D. The current and anticipated demand for use and diversity of uses of this site;

7 E. The extent to which the project is consistent with any relevant regional economic
8 development plan or other relevant regional plan; and

9 F. Any additional benefits that contribute to the character of the town or region in
10 which the project is situated, including the rehabilitation or renovation of mills and
11 other buildings in the community.

12 7. Communities for Maine's Future Fund created. A Communities for Maine's
13 Future Fund, known as "the fund," is established to provide funding for the rehabilitation,
14 revitalization and enhancement of downtowns and village centers and main streets in the
15 State. The fund is dedicated, nonlapsing fund, and all revenues deposited in the fund
16 remain in the fund and must be disbursed in accordance with this section.

17 8. Rules. The department may adopt rules to implement this section. Rules adopted
18 pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375,
19 subchapter 2-A.

20 **PART C**

21 **Sec. C-1. 5 MRSA §13056-E** is enacted to read:

22 **§13056-E. Assistance from Communities for Maine's Future Fund**

23 1. Application for downtown improvement or asset grants. In addition to the
24 other forms of financial assistance available, an eligible municipality or group of
25 municipalities may apply for a downtown and community development grant from the
26 Communities for Maine's Future Fund established in section 13056-D, subsection 7 and
27 referred to in this section "the fund," the proceeds of which must be used to acquire,
28 design, plan, construct, enlarge, repair, protect or enhance downtown improvements or
29 assets. The department may prescribe an application form or procedure for an eligible
30 municipality or group of municipalities to apply for a grant under this section. The
31 application must include all information necessary for the purpose of implementing this
32 section.

33 2. Eligibility certification. In addition to criteria established in section 13056-D:

34 A. The applicant must certify that it has secured all permits, licenses and approvals
35 necessary to construct the improvements to be financed by the grant;

36 B. The department must affirm that the applicant has met the conditions of this
37 paragraph.

1 (1) A municipality is eligible to receive a grant if that municipality has adopted a
2 growth management program certified under Title 30-A, section 4347-A that
3 includes a capital improvement program composed of:

4 (a) An assessment of all public facilities and services, including, but not
5 limited to, roads and other transportation facilities, sewers, schools, parks and
6 open space, fire departments and police departments;

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

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

15 Subject to the limitations of this subsection, 2 or more municipalities that each meet
16 the requirements of divisions (a), (b) or (c) may jointly apply for assistance under this
17 section; and

18 C. The department must affirm that the applicant has met the conditions of this
19 paragraph. A municipality is eligible to receive a downtown improvement grant if
20 that municipality has:

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

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

24 (3) Developed measurable goals and objectives;

25 (4) Demonstrated a historic preservation ethic;

26 (5) Developed the capacity to report on the progress of the downtown program;
27 and

28 (6) Established the ability and willingness to support integrated marketing efforts
29 for retailers, services, activities and events.

30 **3. Criteria; conditions for downtown village center grants.** The department shall
31 develop criteria and conditions for the award of downtown and village center grants to
32 eligible municipalities subject to the requirements of this section, including:

33 A. Basic criteria for redevelopment or revitalization of a downtown, growth area as
34 defined under Title 30-A, section 4301, subsection 6-C or village;

35 B. A preference for capital investment projects that provide substantial regional
36 benefits;

37 C. The adoption of other criteria as the department determines necessary to ensure
38 that grants made under this section maximize the ability of municipalities to
39 accommodate planned growth and economic development;

1 D. Consistency with the municipality's comprehensive plan or local growth
2 management program;

3 E. Leveraging of other private, federal or local dollars; and

4 F. Economic gain to the community, including tax income and jobs created.

5 4. Coordination. The department shall coordinate the grants made under this
6 section with community assistance loans and grants administered by the department and
7 with other state assistance programs designed to accomplish similar objectives, including
8 those administered by the Department of Education, the Department of Transportation,
9 the Executive Department, State Planning Office, the Finance Authority of Maine, the
10 Maine State Housing Authority, the Maine Historic Preservation Commission, the
11 Department of Administrative and Financial Services, the Department of Conservation
12 and the Department of Environmental Protection.

13 5. Report to the Legislature. The department shall report to the joint standing
14 committee of the Legislature having jurisdiction over economic development matters no
15 later than January 1st of each odd-numbered year on the grants program. The department
16 may make any recommendations it finds necessary to more effectively achieve the
17 purposes of this section, including the appropriation of any necessary additional funds.

18 **Sec. C-2. Contingent effective date.** This Part takes effect only if the General
19 Fund bond issue proposed in Part A is approved by the voters of the State.

20 **PART D**

21 **Sec. D-1. 5 MRSA §13056-F** is enacted to read:

22 **§13056-F. Historic Preservation Revolving Fund**

23 1. Fund established; administration. The Historic Preservation Revolving Fund,
24 referred to in this section as "the revolving fund," is established within the Maine Historic
25 Preservation Commission, referred to in this section as "the commission," in order to
26 provide funds to qualified nonprofit historic preservation organizations in the State for the
27 purpose of acquisition of endangered historic properties of local, state or national
28 significance, as determined by the commission, for resale to new owners who agree to
29 preserve, rehabilitate or restore the properties as necessary, subject to preservation
30 easements or covenants held by the qualified organization. The commission may provide
31 funds to the qualified organization for purposes outlined in subsection 4.

32 All funds received must be deposited into the revolving fund.

33 2. Review process. The commission shall review proposals for acquisition of
34 historic properties by qualified organizations with funds from the revolving fund in
35 accordance with this subsection.

36 3. Applicant requirements. An applicant for funding under this section must be a
37 qualified nonprofit historic preservation organization. For purposes of this section,
38 "qualified nonprofit historic preservation organization" or "qualified organization" means
39 a nonprofit preservation or historical organization whose purposes include preservation of

1 historic property or a governmental body. A qualified organization must also demonstrate
2 previous historic preservation, rehabilitation or acquisition activity; availability of staff
3 with demonstrated professional training and experience in administration of historic
4 preservation programs; and familiarity with preservation standards and with acquisition
5 and resale of historic property.

6 The qualified organization must also demonstrate the capacity to undertake the project
7 with a reasonable prospect of bringing it to a successful conclusion. In assessing an
8 applicant's ability to meet the requirements of this subsection, the commission may
9 consider all relevant factors, including but not limited to the applicant's organizational
10 purpose; organizational history; previous historic preservation, rehabilitation or
11 acquisition activity; scope of economic or revitalization vision; and evidence of success
12 in previous efforts.

13 **4. Revolving fund expenditures.** Payment from the revolving fund is made by the
14 commission to qualified nonprofit historic preservation organizations for the purpose of
15 preservation of significant endangered historic properties through acquisition and resale.
16 Payments may include all costs associated with such an acquisition and carrying costs, as
17 well as stabilization, rehabilitation and completion of a conditions study by the qualified
18 organization for approval by the commission and may also include a fee for establishing a
19 preservation easement or covenant to be held by the qualified organization. When
20 possible, the qualified organization shall seek to secure the qualified property by option to
21 be executed at closing to minimize carrying costs. The qualified organization shall seek to
22 resell the property at fair market value to a new private, nonprofit or public owner who
23 agrees to preserve, rehabilitate or restore the property as provided in the easement or
24 covenant. Net proceeds from the resale of properties must be returned to the revolving
25 fund within the commission. Funds returned to the revolving fund are to be used
26 exclusively for the acquisition of additional historic properties, except that no more than
27 5% of the fund balance may be used by the commission to fund administration of the
28 program by cooperating organizations.

29 **5. Evaluation criteria.** The commission shall evaluate proposals under this section.
30 The commission shall seek to fund those proposals that best meet its historic preservation
31 priorities for the State and region and that support its economic and community
32 development and enhancement priorities and shall evaluate properties in such proposals
33 relative to:

- 34 A. The level of historic or architectural significance;
35 B. The value with respect to historic preservation and rehabilitation;
36 C. The degree to which the property is endangered;
37 D. The economic significance to the immediate vicinity and to the State;
38 E. The value with respect to downtown revitalization, open space conservation or
39 other public purposes;
40 F. The availability at fair market value;
41 G. The degree to which the property is available below fair market value;
42 H. The potential marketability;

- 1 I. The feasibility of rehabilitation or restoration and reuse;
- 2 J. The value of the proposed property with respect to tourism promotion and
- 3 development;
- 4 K. The degree of community support; and
- 5 L. The extent to which the proposed project involves partnerships or meets multiple
- 6 criteria.
- 7 6. Rules. The commission may adopt rules to implement this section. Rules adopted
- 8 to implement this section are routine technical rules as defined in Title 5, chapter 375,
- 9 subchapter 2-A.

SUMMARY

11 Part A of this bill is a General Fund bond issue for \$27,000,000 to fund the

12 Communities for Maine's Future Fund, which is established in Part B. Part C of the bill

13 enacts legislation to assist the communities in accessing the funds. Part D enacts the

14 Historic Preservation Revolving Fund.