

# LAWS

# **OF THE**

# **STATE OF MAINE**

AS PASSED BY THE

ONE HUNDRED AND TWENTY-SEVENTH LEGISLATURE

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Augusta, Maine 2015

# CHAPTER 362

# S.P. 481 - L.D. 1332

#### An Act To Attract Entrepreneurs to the State

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

Sec. 1. 5 MRSA §13056-G is enacted to read:

#### §13056-G. Maine Coworking Development Fund

The Maine Coworking Development Fund is established within the department to strengthen opportunities for entrepreneurship, stimulate innovation in the State by increasing the availability of collaborative workspace environments and address a regional market demand for affordable work environments that support communication, information sharing and networking opportunities. The fund is established to match public and private funds to further the purposes of this section.

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Collaborative workspace" means coworking, shared working environments that promote collaboration, interaction, socialization and coordination among tenants through the clustering of multiple businesses or individuals within the shared work environment.

B. "Collaborative workspace business" means a corporation, partnership, limited liability corporation, professional corporation or other legal business entity recognized under the laws of the State engaging or proposing to engage in economic activity within the State.

<u>C.</u> "Fund" means the Maine Coworking Development Fund established in this section.

D. "Participant" means a sole proprietorship, business partnership or corporation operating a business for profit through which the owner accesses business development services in a collaborative workspace.

E. "Tenant" means a sole proprietorship, business partnership or corporation operating a business for profit and leasing or otherwise occupying collaborative workspace from a collaborative workspace business.

F. "Transformative development" means redevelopment on a scale and of a character capable of catalyzing significant follow-on private investment, leading over time to transformation of an entire downtown or urban neighborhood and consistent with local plans. Transformative development may involve major investment in new construction, rehabilitation and adaptive reuse or multiple smaller investments on a sustained basis.

2. Organization. The department has all the powers and authority not explicitly prohibited by law necessary or convenient to carry out and effectuate the functions, duties and responsibilities of the fund, including, but not limited to:

A. Promoting transformative development by taking actions in partnership with private enterprise and the Federal Government to:

(1) Make equity investments and provide technical assistance to revitalize and support residential, commercial, industrial and institutional development, or any mix of such uses, in order to promote collaborative workspaces;

(2) Promote the creation of collaborative workspaces by providing financial assistance for capital investments in underutilized buildings;

(3) Foster collaboration and connections among innovative and creative enterprises by providing central locations for such businesses or individuals to work in an environment designed to promote sharing of resources, experience and expertise;

(4) Support partnerships between municipalities, property owners and collaborative workspace businesses to establish such collaborative workspaces; and

(5) Require such collaborative workspaces to provide shared space that promotes the interaction, socialization and coordination among tenants and participants through the clustering of multiple tenants and participants within the collaborative workspace;

B. Soliciting, borrowing, accepting and receiving money from a public or private source to augment state contributions to the fund;

C. Approving an annual budget for the fund and investing and expending money from the fund;

D. Contracting with public entities as necessary to further the purposes of this section;

E. Carrying forward any unexpended state appropriations and allocations into succeeding fiscal years;

F. Receiving and accepting allocations, appropriations, grants or contributions of money to be held, used or applied to carry out this subchapter, subject to the conditions upon which the grants and contributions may be made, including, but not limited to, appropriations, allocations, grants or gifts from any federal agency or governmental subdivision or the State and its agencies. The amounts of the revenues generated by the investment of money contained in the fund may be used to pay the department's operating expenses associated with the operation of the fund:

G. Engaging in matching grants activities, including, but not limited to, federal, private and foundation awards that require state funding matches and are considered consistent with the purposes of the fund; and

H. Awarding collaborative workspace grants in an amount not to exceed \$25,000 per collaborative workspace. All awards must be tied to specific and demonstrated financial need to achieve the goals set forth under this section.

**3.** Guidelines. The department shall establish guidelines for the fund in accordance with this section.

A. Loans or grants made from the fund may be made to collaborative workspace businesses for building improvements used by the collaborative workspace tenants and participants as long as the use of the fund results in corresponding private investment that matches or exceeds the loans or grants from the fund. In the case of a grant, any participating collaborative workspace business shall at least match the investment of the fund. In the case of a loan, the department shall reasonably anticipate that its loan will leverage additional private investment in the property.

B. The department shall solicit applications for grants or loans from the fund through a request for proposals, which must include, at a minimum, the following criteria for the submission of applications:

(1) A description of the parties involved in the project, including the professional expertise and qualifications of the principals;

(2) A description of the scope of work that will be undertaken by each party involved in the project;

(3) The proposed budget, including verification of funding from other sources;

(4) A statement of the project objective, including specific information on how the project will promote the use of the space as a collaborative workspace;

(5) A statement that sets forth the implementation plan, the facilities and resources available or needed for the project and the proposed commencement and termination dates of the project;

(6) A description of the expected significance of the project, including a description of the market demand for the type of collaborative workspace proposed in the region in which the space will be located and the number of tenants and participants that will be served as a result of the project;

(7) Guidelines for the review and approval of applications that include preferences for applications that propose to redevelop existing properties located in the downtown area of a municipality, dedicate at least 25% of accessible space to collaborative use and support a cluster of at least 5 separate tenants;

(8) A description of the ability of the collaborative workspace business to carry out the provisions of this section;

(9) A summary of the proposed economic impact of the collaborative workspace on the community;

(10) A description of plans for conformance with regional and local economic development plans, if such plans exist; and

(11) A statement of the proximity of the collaborative workspace to an accredited Maine community college, college or university, as defined in Title 20-A, section 12541, subsection 1.

C. The department shall enter into an agreement with each collaborative workspace business that receives a grant or loan under this section. The agreement must include performance measures and indicators to evaluate the performance of the collaborative workspace business in carrying out the activities described in its application and any other indicators determined to be necessary to evaluate the performance of the business. A collaborative workspace business shall submit an annual report for the department's review for the duration of the collaborative workspace project.

**4.** Duties of the collaborative workspace business. A collaborative workspace business that receives assistance under this section shall:

A. Secure title on a facility for the collaborative workspace or a lease of a facility for the collaborative workspace;

B. Manage the physical development of the collaborative workspace, including the provision of common conference or meeting space;

C. Provide furnishings and equipment to the collaborative workspace to provide services to the tenants and participants:

D. Market the collaborative workspace and secure tenants and participants;

<u>E.</u> Provide financial consulting, marketing and management assistance services or arrange for the provision of these services for tenants and partici-

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pants, including assistance in accessing private financial markets;

F. Set rental and service fees that would be revenue for the collaborative workspace business upon approval from the department;

G. Encourage the sharing of ideas between tenants and participants and otherwise aid the tenants and participants using innovative technology and facilities:

H. Establish policies and criteria for the acceptance of tenants and participants and for the termination of occupancy of tenants so as to maximize the opportunity to succeed for the greatest number of tenants and participants; and

I. Submit annual reports to the department that include a financial statement for the collaborative workspace business, a summary of the economic impact of the collaborative workspace on the local community and a list of tenants and participants in the collaborative workspace.

**5. Report.** Beginning February 1, 2016, the department shall annually provide a report to the Governor, the President of the Senate and the Speaker of the House of Representatives that must include, but is not limited to:

A. The number of applications for collaborative workspace submitted to the department;

**B.** The number of applications for collaborative workspace approved by the department;

<u>C.</u> The number of collaborative workspaces created through the fund;

D. The numbers of tenants and participants engaged in each collaborative workspace;

<u>E.</u> The number of jobs provided by each collaborative workspace;

F. The occupancy rate of each collaborative workspace; and

G. The number of tenants that have left collaborative workspace and that are operating in the State and the number of jobs they have provided.

**Sec. 2. Appropriations and allocations.** The following appropriations and allocations are made.

# ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

#### Maine Coworking Development Fund N193

Initiative: Provides base allocations in the event funds are received from private or public sources.

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OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	\$500	\$500
OTHER SPECIAL REVENUE FUNDS TOTAL	\$500	\$500

Maine Coworking Development Program N192

Initiative: Provides funds to support collaborative workspace businesses.

GENERAL FUND	2015-16	2016-17
All Other	\$100,000	\$100,000
GENERAL FUND TOTAL	\$100,000	\$100,000
ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF DEPARTMENT TOTALS	2015-16	2016-17
DEPARTMENT TOTALS	2015-16	2010-17
GENERAL FUND OTHER SPECIAL REVENUE FUNDS	\$100,000 \$500	\$100,000 \$500
DEPARTMENT TOTAL - ALL FUNDS	\$100,500	\$100,500

See title page for effective date.

# CHAPTER 363

H.P. 873 - L.D. 1277

# An Act To Establish a Magnet School for Marine Science, Technology, Transportation and Engineering

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

Sec. 1. 5 MRSA §285, sub-§1, ¶F-11 is enacted to read:

F-11. Any employee of the Maine School for Marine Science, Technology, Transportation and Engineering;

Sec. 2. 5 MRSA §12004-C, sub-§9 is enacted to read: