

# MAINE STATE LEGISLATURE

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February 11, 2020

To: Governor Janet T. Mills  
Members, Committee on Innovation, Development, Economic Advancement, and Business

From: Martha Bentley, Small Business & Entrepreneurial Development Manager

Re: Maine Coworking Development Fund Report pursuant to 5 MRSA §13056-G, sub-§5.

Title 5 MRSA §13056-G enacted in the first session of the 127<sup>th</sup> Legislature directed the Department of Economic and Community Development (DECD) to implement a ‘Maine Coworking Development Fund’. This program was updated and recapitalized during the first session of the 129<sup>th</sup> Legislature and through the Governor’s budget. 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 this purpose.

Pursuant to 5 MRSA §13056-G, sub-§5 the Department was required to submit a report by February 2020 and at least annually thereafter, to the Governor and the joint standing committee of the Legislature having jurisdiction over innovation, development, economic advancement and business matters. This report that must include, but is not limited to:

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

A public notice for the 2019 Maine Coworking Development Fund and Program was published on August 29<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup> in the Kennebec Journal and the Portland Press Herald. The Department also posted the grant guidelines and announcement of a competitive grant process on the DECD website. DECD also released a press release and posted on social media, as well as sending the information out to all known coworking and collaborative work spaces in the State. DECD also hosted an informational convening of potential applicants on September 30<sup>th</sup> at the Maine State Library attended by 44 people. The deadline for proposals was October 25<sup>th</sup>, 2019 and the department received 22 grant applications. This is a dramatic increase from the 8 proposals received in response to the 2017 RFP.

The award committee met on November 18<sup>th</sup>, 2019 to determine successful applications and award amounts.

The members of the awards committee for this fund were as follows:  
Senior Program Officer, Maine Community Foundation



President, Maine Technology Institute  
Executive Director, Startup Champions Network and coworking space owner  
Chief Experiences Officer, Alternatives Federal Credit Union and former innovation space owner

On November 20th 2019 DECD notified sixteen of the twenty-two applicants of their selection as a grant recipient and their invitation to join the first CoWorking CoDesign Cohort, a regular convening of grant award recipients to further maximize their participation in the Program. All contracts have been fully awarded and the full \$200,000 in available funds have been designated.

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

The following collaborative spaces were awarded grants:

- CoVort LLC (Bangor)
- Four Directions Development Corporation (Pleasant Point and Orono)
- Bricks Coworking and Innovation Space (Waterville)
- Our Katahdin (Millinocket)
- Union River Center for Innovation (Ellsworth)
- CoworkHERS LLC (Portland)
- Factory 3 LLC (Portland)
- 487 Development Corporation (Pittsfield)
- Cloudport LLC (Portland)
- Open Bench Project L3c (Portland)
- Union + Co (48 Front Street LLC) (Bath)
- ThinkTank Biddeford (Biddeford Coworking) (Biddeford)
- SoPoCoWorks (Vostock LLC) (South Portland)
- Mayo Mill (Arnold Development Group) (Dover-Foxcroft)
- Peloton Labs (Portland)
- Warehouse 12 LLC (Bath)

## **C. The number of collaborative workspaces created (or expanded) through the fund**

- CoVort LLC (Bangor) – expansion/improvement of current space
- Four Directions Development Corporation (Pleasant Point and Orono) – in process of establishing
- Bricks Coworking and Innovation Space (Waterville) – establishing entrepreneurial programming
- Our Katahdin (Millinocket) – in process of establishing
- Union River Center for Innovation (Ellsworth) – expanding coworking
- CoworkHERS LLC (Portland)- providing childcare for coworking
- Factory 3 LLC (Portland) – establishing maker space
- 487 Development Corporation (Pittsfield) – in process of establishing



**Department of Economic  
& Community Development**

Cloudport LLC (Portland) - expanding  
Open Bench Project L3c (Portland)- expanding  
Union + Co (48 Front Street LLC) (Bath)- expansion/improvement of current space  
ThinkTank Biddeford (Biddeford Coworking) (Biddeford)- upgrades of existing space  
SoPoCoWorks (Vostock LLC) (South Portland)- upgrades of existing space  
Mayo Mill (Arnold Development Group) (Dover-Foxcroft)- expanding  
Peloton Labs (Portland)- upgrades of existing space  
Warehouse 12 LLC (Bath) – in process of establishing

The remaining statutory metrics are too early to report, as funded projects just got underway in January 2020. Items D-G will be reported out in February 2021 after first year annual reports are received from participating collaborative spaces and data compiled.

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

**E. The number of jobs provided by each collaborative workspace**

**F. The occupancy rate of each collaborative workspace**

**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.**

The collaborative spaces came together as a cohort for the first time on January 28, 2020. From this convening the following agreement and actions resulted:

Group Agreements:

- Success or failure of any coworking space effects the success or failure of all collaborative work spaces in Maine
- Urban and Rural/Small Town Coworking Models are different are require different approaches and models
- A key function of the cohort can be marketing and education around shared spaces and collaborative work environments
- Best Practices and knowledge transfer are a role of the cohort
- Coworking is a workforce attraction tool for Maine
- Expand education beyond “Coworking” to Shared Spaces/Collaborative Spaces
- Digital Maine Coworking Passport: Maine Coworking Passport Group- could something be established that would give folks the opportunity to reciprocate the use of space? Is there a benefit



to having something more official? Work with the Office of Tourism and offer it as an amenity in their lodging. “Day Passes”

- Competition is coming from the public sector - Libraries are increasingly competitors of privately-owned coworking spaces. Additionally, the business model and approach of publicly-subsidized spaces may inadvertently subvert the model and we must design to support more than one model and encourage entrepreneurial culture where it isn't always the most natural fit.

**Prioritized ACTION ITEMS and Decisions:**

- Open a Slack Group and start a Google doc as mechanism for sharing among cohort, particularly referrals.
- Meet face to face quarterly at rotating collaborative spaces in the cohort. Since everyone's needs are different, people should express if this works for them in the Google doc. Explore idea of a bus tour of spaces around the State.
- DECD will explore purchase a bulk package of tickets or ability to attend trade show type events.
- Digital presence of “coworking map and catalog of information” – catalog spaces and their amenities; explore partnering with MOT on VisitMaine website as a starting point.
- Marketing/education campaign about collaborative work spaces that could launch in the Spring.
- Pull together best practice/design phase group help emerging spaces learn from existing, successful spaces. One outcome should be a clear baseline for what is needed to make a space work financially.

Cc: Heather Johnson, Commissioner of the Dept. of Economic and Community Development