

MAINE STATE LEGISLATURE

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February 11, 2021

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

From: Martha Bentley, Director of Economic Development Coordination

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 127th 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 129th 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.

2020 and COVID

While the usual report with all statutorily required metrics is included at the end of this document, given the highly unusual year that 2020 turned out to be, this report also serves as the story of the story of the CoWorking CoDesign Cohort. As part of receiving an award from the Coworking Development Fund, DECD convened the grant recipients (and other interested spaces) in an inaugural cohort of companies to ensure that the State's investment in these small businesses would be more than just a collection of grant awards. 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 workspaces in Maine
- Urban and Rural/Small Town Coworking Models are different and 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



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- Coworking is a workforce attraction tool for Maine
- Expand education beyond “Coworking” to Shared Spaces/Collaborative Spaces

Before the cohort could come together again in person, COVID hit and things shut down. The cohort moved to virtual and continued to meet and collaborate, gathering virtually every two weeks. This report allows these cohort members to speak for themselves in a few excerpts from the annual reports that each grant recipient submitted in January 2021. To date, all the collaborative workspaces have survived, although far below capacity and often still at a loss. Most spaces anticipate dramatically reduced activity and revenues through Fall 2021. Keeping these spaces alive and thriving as a key economic development asset cannot be under-emphasized.

Sampling of comments from submitted Annual Reports:

“Based on our participation in the Cohort, we have reexamined our pricing per square foot, we have emphasized our common spaces in our design, we have planned for increased flexibility in access, and have secured additional funds to co-design our operations manual with increased stakeholder input to increase equity and access in the building and in future programming. It has also been extremely valuable to form connections with other coworking space owners to have one on one conversations.

Over the next year, if possible, maintaining the network/coalition that is building has inherent value in strengthening the coworking ecosystem in Maine. With COVID causing a disruption that is allowing working people to move and bring their remote jobs with them, having a marketed and promoted network of coworking spaces to welcome them seems very important.” - Our Katahdin Opportunity Hub, Millinocket

“During a time when many people were unemployed, we provided an opportunity for training and learning new skills. Early in the pandemic we added virtual classes, which were well received. Students have included both members and non-members, and in fact, over half of the virtual attendees were non-members, a testament to our impact on the community during the pandemic.” Factory3, Portland

“Through 2020, I found great value in our new coworking cohort. Whether it was the conversations had in our calls, or the activity on the Slack channel, it was apparent everyone was there to help each other. For us more rural spaces, this seems very intuitive as we aren’t really in competition, but I was very impressed by the involvement, assistance, and flexibility offered by all the Portland area members. They are, after all, the leaders in this space in many ways, and their knowledge sharing is greatly appreciated.



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*COVID-19 clearly dealt a hard blow to all of us, and I know personally I had to re-focus on priorities to keep ourselves afloat before I could help others properly. Heading into 2021, I believe we're there. Also, in 2021, I think more efforts to help each other, be it shared marketing, shared messaging, or other items along these lines would be of assistance. It's great to hear stories on how others are doing, but I'd love to find ways to **do** things together to help all." Bricks Coworking and Innovation Space, Waterville*

"Despite all the challenges in 2020 I continue to see the need in the community for a safe, collective, beautiful workspace to support today's working women. I have already started something amazing, and I will not be defeated by COVID-19." CoworkHERS, Portland

"Collaborative efforts between businesses in our state is important for fostering a sense of camaraderie among competitors, for pushing organizations to be their best, and for sharing best practices. Providing access to reliable internet, especially in our rural areas, is something that coworking spaces are already doing. Particularly as our state sees an influx of remote workers, the importance of coworking and shared spaces cannot be understated. They have the potential to drive economic development in so many small communities around Maine that have seen disinvestment. We have seen connections created here take root and become friendships, work engagements, and community-focused initiatives. We make it our job to create the culture of the space. Our members do the rest.

Finally, we believe the cohort will continue to provide a much-needed sense of community among small business owners in our state. Often as a small business owner (especially during hard times), you can feel like you are the only one standing outside in a blizzard. The cohort alleviates that feeling a bit and offers people you can call on in a challenging situation. This assurance cannot be quantified." Union+Co, Bath

Other 2020 metrics of note:

- Open Bench Project makerspace members produced and donated over 1000 PPE units for Maine Health and other local healthcare facilities.
- 41 cross-referrals between geographically proximate spaces
- 27 new business starts through entrepreneurial programming or provision of maker space
- 282+ participants in 87 events and programs (largely virtual, many programs met multiple times – participants only tallied once for this purpose)
- Union + Co was a founding sponsor of Beacon Park, a 5,000 square foot indoor park located at 31 Centre Street in Bath. Beacon Park offers the community a space to meet at a safe distance indoors. The park offers Wi-Fi, socially distanced seating options, a bathroom, and features a



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beautiful mural completed pro-bono by a community member. The park is situated in a building that has sat vacant for the last 10 years. The park opened in November 2020 and will be open through May. It is a community-led effort, with other founding sponsors including: Bath Iron Works (BIW), City of Bath, Main Street Bath, and Sagadahoc Real Estate Association. BIW is using Beacon Park as a recruiting center in its efforts to hire 2,000 people over the next year. Main Street Bath has organized the operational schedule, which includes five individual shifts daily for opening, sanitizing, and closing. Park hours range from 8 – 6pm on weekdays, 9 – 5 on weekends, seven days a week. Union + Co is proud to have been a significant part of the planning and execution of this effort to bring people together during these times of need. Beacon Park was recently recognized by Maine Development Foundation for the Innovation Award of 2020.

Statutorily Defined Annual Report

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 29th, 30th and 31st 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 workspaces in the State. DECD also hosted an informational convening of potential applicants on September 30th at the Maine State Library attended by 44 people. The deadline for proposals was October 25th, 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 18th, 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



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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 (over FY20 and FY21) 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 LLC (Bath)
ThinkTank Biddeford (Biddeford Coworking) (Biddeford)
SoPoCoWorks (Vostock LLC) (South Portland)
Mayo Mill (Arnold Development Group) (Dover-Foxcroft) - inactive
Peloton Labs (Portland)
Warehouse 12 LLC (dba Work Loft) (Bath)

C. The number of collaborative workspaces created (or expanded) through the fund, noting 2020 COVID-related adaptations

CoVort LLC (Bangor) – expansion/improvement of current space
Four Directions Development Corporation (Pleasant Point and Orono) – in process of establishing physical location, launched virtual programming during 2020



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Bricks Coworking and Innovation Space (Waterville) – establishing entrepreneurial programming and launching programming virtually
 Our Katahdin (Millinocket) – in process of establishing, continued build out in 2020
 Union River Center for Innovation (Ellsworth) – expanding coworking and move to virtual options in 2020
 CoworkHERS LLC (Portland)- providing childcare for coworking, continued build out in 2020
 Factory 3 LLC (Portland) – establishing maker space, continued build out and virtual programming in 2020
 487 Development Corporation (Pittsfield) – in process of establishing and adjusted plan due to pandemic
 Cloudport LLC (Portland) – expanding
 Open Bench Project L3c (Portland)- expanding and move to PPE supports and virtual programming
 Union + Co LLC (Bath)- expansion/improvement of current space, additional community collaborations in 2020
 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, little progress in 2020 – inactive in cohort
 Peloton Labs (Portland)- upgrades of existing space
 Warehouse 12 LLC (dba Work Loft) (Bath) – in process of establishing and pivot to new market niche, not yet opened due to pandemic

D. The numbers of tenants and participants engaged in each collaborative workspace for year ending December 2020

For the most part, the collaborative workspace business model does not capture tenants but uses a membership model, charging different rates for different types of spaces. Almost all spaces saw a significant drop in membership from January 2020 to January 2021. Many nearly 50%.

Collaborative Space	Members Jan 2021	Private Offices Occupied Jan 2021
CoVort LLC	3	8
Four Directions Development Corporation	n/a	n/a
Bricks Coworking LLC	21	3
Our Katahdin	3 (LOI)	n/a



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City of Ellsworth (Union River Center for Innovation)	15	5
coworkHERS LLC	60	7
Factory 3 LLC	30	n/a
487 Development Corporation	0	13
Cloudport	82	10
Open Bench Project L3c	159	6
Union + Co	13	11
Biddeford Coworking (dba ThinkTank Biddeford)	24	12
Vostock LLC (dba SoPoCoWorks)	20	16
Mayo Mill MT, LLC (Arnold Development Group)	inactive	inactive
PelotonLabs LLC	66	6
Warehouse 12 LLC (dba Work Loft)	6	1
TOTALS	502	98

E. The number of jobs provided by each collaborative workspace for year ending December 2020

This is not a metric that makes sense for collaborative workspaces. Collaborative workspaces are lean businesses and their economic impact is not in the number of jobs provided by the spaces themselves but the numbers of jobs and businesses they support with their spaces and programming.

F. The occupancy rate of each collaborative workspace

CoVort LLC	30%
Four Directions Development Corporation	n/a
Bricks Coworking LLC	100%
Our Katahdin	n/a
City of Ellsworth (Union River Center for Innovation)	100%
coworkHERS LLC	64%
Factory 3 LLC	n/a
487 Development Corporation	81%



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Cloudport	100%
Open Bench Project L3c	33%
Union + Co	91%
Biddeford Coworking (dba ThinkTank Biddeford)	50%
Vostock LLC (dba SoPoCoWorks)	80%
Mayo Mill MT, LLC (Arnold Development Group)	unknown
PelotonLabs LLC	60%
Warehouse 12 LLC (dba Work Loft)	18%

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 number of tenants that have let the space is a metric that makes sense for a business incubator model but not for a collaborative workspace model. We are not currently tracking spin out companies as part of the Program.

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