



# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

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Legislative Document

No. 1332

S.P. 481

In Senate, April 14, 2015

### An Act To Attract Entrepreneurs to the State

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Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator ALFOND of Cumberland.  
Cosponsored by Representative GOODE of Bangor and  
Senators: BREEN of Cumberland, CYRWAY of Kennebec.

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

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

3 **§13056-G. Maine Coworking Development Fund**

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

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

12 A. "Business" means a corporation, partnership, limited liability corporation,  
13 professional corporation or other legal business entity recognized under the laws of  
14 the State engaging or proposing to engage in economic activity within the State.

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

19 C. "Fund" means the Maine Coworking Development Fund established in this  
20 section.

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

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

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

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

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

37 (3) Foster collaboration and connections among innovative and creative  
38 enterprises by providing central locations for such businesses or individuals to

1 work in an environment designed to promote sharing of resources, experience  
2 and expertise;

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

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

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

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

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

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

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

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

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

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

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

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

- 1                   (1) A description of the parties involved in the project, including the professional  
2                   expertise and qualifications of the principals;
- 3                   (2) A description of the scope of work that will be undertaken by each party  
4                   involved in the project;
- 5                   (3) The proposed budget, including verification of funding from other sources;
- 6                   (4) A statement of the project objective, including specific information on how  
7                   the project will promote the use of the space as a collaborative workspace;
- 8                   (5) A statement that sets forth the implementation plan, the facilities and  
9                   resources available or needed for the project and the proposed commencement  
10                  and termination dates of the project;
- 11                  (6) A description of the expected significance of the project, including a  
12                  description of the market demand for the type of collaborative workspace  
13                  proposed in the region in which the space will be located and the number of  
14                  businesses or individuals that will be served as a result of the project; and
- 15                  (7) Guidelines for the review and approval of applications that include  
16                  preferences for applications that propose to redevelop existing properties located  
17                  in the downtown area of a municipality, dedicate at least 25% of accessible space  
18                  to collaborative use and support a cluster of at least 5 separate occupants.

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

26                  **4. Report.** Beginning February 1, 2016, the department shall submit an annual  
27                  report to the joint standing committee of the Legislature having jurisdiction over  
28                  economic development matters. The report must include a current assessment of the  
29                  progress of each project funded through the fund and the progress of the participants in  
30                  the project.

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

33                  **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**  
34                  **Maine Coworking Development Fund**

35                  Initiative: Provides funds for the Maine Coworking Development Fund to support  
36                  collaborative workspace businesses.

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|   |                     |                  |                  |
|---|---------------------|------------------|------------------|
| 1 | <b>GENERAL FUND</b> | <b>2015-16</b>   | <b>2016-17</b>   |
| 2 | All Other           | \$250,000        | \$250,000        |
| 3 |                     |                  |                  |
| 4 | GENERAL FUND TOTAL  | <u>\$250,000</u> | <u>\$250,000</u> |

5 **SUMMARY**

6 This bill establishes the Maine Coworking Development Fund within the Department  
7 of Economic and Community Development. The fund is established to strengthen  
8 opportunities for entrepreneurship, stimulate innovation in the State by increasing the  
9 availability of collaborative workspace environments and address a regional market  
10 demand for affordable work environments that support communication, information  
11 sharing and networking opportunities. The fund will match public and private funds to  
12 create collaborative workspaces in order to foster innovative communities and spur  
13 creative business growth and economic activity. The bill includes an appropriations and  
14 allocations section that provides for a \$250,000 General Fund appropriation to the fund  
15 for fiscal year 2015-16 and fiscal year 2016-17.