

Appendix 23A

Funding Sources for the Acquisition of Open Space

The Harpswell Conservation Commission outlines below a list of ways in which the Town could fund the purchase of open space from 1) local sources, 2) state and federal sources and 3) private fund raising. (Please see **Appendices 23B and 23C** for more detailed information on sources of funding.)

1. Local Funding Options

A variety of local funding options exist. These include the use of municipal bonds, appropriations, donations of land, transfer of development rights, impact fees and wetland mitigation. These are described below.

a. Municipal Bonds: The Town of Harpswell may want to consider taking out a bond¹ for purchase of Open Space land. In order to decide what land to purchase, the Town could identify a representative committee to identify potential properties and procedures for this process.

b. Appropriations²: The Town can appropriate Town funds for the purchase of a specific open space property. The problem with this approach is that the turn around time is usually too short to allow for purchase of a property currently on the market

c. Donations of Land: In the past, some residents have shown interest in donating land to the Town. The Town should set up procedures to make this possible, including working with HHLT to receive and provide stewardship to these land donations.

d. Transfer of Development Rights (TDR): Transfer of development rights programs allow landowners to transfer the right to develop one parcel of land to a different parcel of land. Generally, TDR programs are established by local zoning ordinances. Buying these rights from one location, while conserving high value conservation land in another area, generally allows the owner to build at a higher density than ordinarily permitted by the base zoning of the Town.

e. Impact Fee or Fee in lieu of Open Space: The Town could consider asking developers to pay a fee to the Town if they do not provide open space in their

¹ A municipal bond is issued to raise funds for capital projects. Interest on a bond is tax free. In 2003, Harpswell issued an **\$840,000 bond** for the renovation and expansion of the town hall and the purchase of land for municipal use. In 2004, Harpswell issued a bond for **\$700,000** to finance repairs on town roads and for the restoration a historic town house.

² The Town of Falmouth approved a \$ 5million bond for open space purchase. The town appropriated \$3 million and is authorized, if needed, to issue a bond for \$2 million. This hybrid approach is designed to avoid the unnecessary payment of interest by the town.

developments. If the Town is interested in this possibility, one of the Town Committees could be assigned the task of developing this idea further.

f. Wetland mitigation: Section 404 of the U.S. Clean Water Act permits compensation for unavoidable impacts to water resources resulting from a development project. The law allows a wetland, stream or other aquatic resource to be restored, established, enhanced or preserved for the purposes of this compensation. To apply wetlands mitigation banking to Harpswell, a suitable aquatic resource, such as, a wetland or stream, would be identified in the town that was potentially threatened by imminent sale or that could benefit from restoration. If a developer in Maine needed a suitable wetlands mitigation bank, s/he could pay fees towards the protection of this high value water resource in Harpswell. The fees would be put into the Harpswell Open Space Fund for use for purchasing high value conservation land. For more details see **Appendix 18**.

2. State and Federal Funds

The State of Maine and the Federal Government have funds to support purchase of open space. Some funds require a matching contribution by the town. The major sources of funds in Maine are:

a. Maine Dept Conservation: Land and Water Conservation Fund, Maine Outdoor Heritage Fund and Maine Recreational Trails Program

b. Maine Dept Transportation Enhancement Funds

c. Land for Maine's Future. Harpswell voters have been supportive of state bonding for LMF. The following percentage of the voters has supported LMF: in 1999, 76% yes; in 2005, 74% yes and in 2007, 70% yes.

3. Private Fund Raising

Another source of funding for the purchase and stewardship of open space is money raised from private fund raising. The HCC and the Town Planner could be given the mandate to seek private funds from the following sources:

a. Residents: The Town could work collaboratively with HHLT or other non-profit conservation organizations to identify land to preserve and then raise funds from residents to purchase the land.

b. Foundations: The Town could ask the HCC to prepare grants with the Town Planner for private foundations that fund the preservation and stewardship of open space.