

Testimony in Support of LD 1739-An Affordable Housing and Transit Financing Tool

Joint Standing Committee on Transportation April 25, 2023

Senator Grohoski, Representative Perry and members of the Committee on Taxation,

I am Greg Jordan, Executive Director of the Greater Portland Transit District ("GP Metro"). GP Metro is the state's largest public transit agency providing fixed route bus service and ADA paratransit service to the municipalities of Brunswick, Falmouth, Freeport, Gorham, Portland, South Portland, Westbrook and Yarmouth. I am submitting this testimony to express our organization's support for LD 1739.

Public transit is an underfunded enterprise in Maine which [LD 1559](#) makes clear and seeks to address. Among other important goals, that bill seeks to help the state's transit agencies avoid fiscal cliffs and preserve existing transit service while at the same time achieve appropriate equity in how the state supports the different transit modes which include bus and demand response, rail, and ferry.

While LD 1559 strives to save our existing statewide transit systems from deterioration, LD 1739 expands one of the most important financing tools we have to improve public transit. Because the state's transit systems lack dedicated sources of non-federal transit funding, financing transit system expansions is difficult, and usually requires a project-by-project approach with complex funding collaborations among multiple partners. In light of this reality, Tax Increment Finance (TIF) Districts are a valuable financing tool for municipalities to fund transit-oriented developments, and cover the cost of related transit capital projects and expanded operations, while sheltering residents from property tax increases.

In GP Metro's service area, the municipalities of Falmouth, Portland and Westbrook have enacted transit TIF districts to fund public transit investments. In particular, the city of Westbrook's transit TIF program established the local funding needed to nearly double the level of service provided within that community in 2018, without impact to property tax rates.

However, a key limitation of the state's TIF law is the 30-year sunset provision, after which any ongoing operating expenses must be absorbed by municipalities' general funds. This sunset provision places any TIF funded transit improvements at risk since they would then have to compete for general fund dollars along with other municipal services.

GP Metro supports LD 1739 to ensure the continuation of funding for expanded transit services as well as the continuity of those services for residents who have come to rely on them.

Thank you for your time and service to the state of Maine.

