



STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
BURTON M. CROSS BUILDING, 3RD FLOOR
78 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0078

SERVING THE PUBLIC AND DELIVERING ESSENTIAL SERVICES TO STATE GOVERNMENT

JANET T. MILLS
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COMMISSIONER

*Testimony of Anya Trundy, Chief of Legislative and Strategic Operations
Department of Administrative and Financial Services
testifying in support of*

**LD 2277, Resolve, Authorizing the Commissioner of Administrative and Financial Services to
Convey by Sale the Interests of the State in 3 Properties Located in Biddeford, Sanford and York**
Sponsored by Rep. Traci Gere
Before the Joint Select Committee on Housing

Senator Pierce and honorable members of the Joint Select Committee on Housing, my name is Anya Trundy, I am the Chief of Legislative and Strategic Operations for the Department of Administrative and Financial Services (DAFS), and I am enthusiastic to present LD 2277, a Resolve, *brought forth by the Administration as a Governor's Bill*, Authorizing the Commissioner of Administrative and Financial Services to Convey by Sale the Interests of the State in 3 Properties Located in Biddeford, Sanford and York.

These buildings are the former York County District Court buildings, which are now vacant, and the State has deemed surplus property. As a routine course of events, when the State determines that real property has no future State purpose, we are required to seek legislative authorization to offer the property for sale. That is what this Resolve before you today would accomplish, with the unique component that we specifically desire to transfer these properties for redevelopment as housing.

Existing statute (30-A M.R.S. §4754-A) includes a provision that requires the State to first offer surplus real property to Maine Housing and if the property is in a community served by a local housing authority for Maine Housing to defer to the local housing authority. Typically, Maine Housing tells us "Thanks, but no thanks." because the real property we intend to sell is of little interest to them and the existing property or location doesn't lend itself to the development of housing, but with these three properties there was immediate recognition of the existing buildings' potential to be repurposed for housing and their favorable locations in proximity to amenities and services. This may even be the first time that this provision of statute has been used since its creation in the 1980s. Recognizing the housing affordability and availability crisis that Maine is facing, particularly in communities with high property values, the State is also prepared to offer these properties to the respective local housing authorities for a nominal amount (\$1). Our hope is that this will help to jump start these properties' redevelopment as housing.

All are large buildings, currently in relatively good condition, that Maine Housing has already assessed and determined capable of being converted to housing. Large buildings don't fare well when they sit vacant and the ongoing cost of maintaining these buildings in their vacant state is \$355,000 annually. The best thing for the health and preservation of these buildings is to expediently transfer them to new ownership, so they can begin their next stage of life. With our partners at Maine Housing and GOPIF,

we know that there is local interest and excitement from the local housing authorities in Biddeford, Sanford and York and their respective municipalities about the future potential of these buildings to address the housing issues that they are experiencing in their communities.

However, if one of the local housing authorities ultimately decides not to exercise their first option to purchase, the bill provides the State the authorization to otherwise sell the property at fair market value.

Thank you for hearing this late in the session bill, I hope that the Committee will give it a unanimous Ought to Pass report and would be happy to any questions you may have.

§4754-A. First option to purchase surplus lands

All state agencies shall offer the Maine State Housing Authority the opportunity to purchase or otherwise acquire any land and improvements on the land or any structures determined to be surplus before the property may be offered for sale or transfer to any other state agency, community or other buyer or transferee. Notice of availability must be provided in writing to the Director of the Maine State Housing Authority. [PL 1989, c. 914, §5 (NEW).]

1. Notification of interest. The Maine State Housing Authority shall advise the owner agency in writing of its interest in purchasing or otherwise acquiring the surplus land and any improvements on the land or surplus structures or of its decision not to purchase or otherwise acquire any such surplus property within 30 days of receipt of the notification by the Director of the Maine State Housing Authority.

[PL 1989, c. 914, §5 (NEW).]

2. Purchase price. If the Maine State Housing Authority offers to purchase the property, the purchase price must be determined as follows.

A. The current market value must be determined by an independent appraiser or by agreement between the Maine State Housing Authority and the owner agency. The Maine State Housing Authority and the owner agency then shall negotiate the ultimate purchase price in good faith in order to achieve the respective goals and mandates of the Maine State Housing Authority and the owner agency. [PL 1989, c. 914, §5 (NEW).]

B. The purchase price may not exceed the current market value of the property as determined in paragraph A. [PL 1989, c. 914, §5 (NEW).]

C. If title to the land or improvements carries a requirement that the property be sold at fair market value, then this requirement prevails over the terms of this subsection. [PL 1989, c. 914, §5 (NEW).]

[PL 1989, c. 914, §5 (NEW).]

3. Report. The Maine State Housing Authority shall report to the joint standing committee of the Legislature having jurisdiction over housing and economic development matters 90 days after the 2nd anniversary of the effective date of this section on state surplus land purchased under this section together with any recommendations for improvements.

[PL 1989, c. 914, §5 (NEW).]

If any land determined to be surplus is located in a community served by a local public housing authority, as defined in this Title, the Maine State Housing Authority shall offer the first option to purchase the parcel to the local public housing authority. The local public housing authority has 45 days to indicate in writing its desire to acquire the parcel. Other offers to purchase the parcel may not be considered until the 45-day period has passed. [PL 1989, c. 914, §5 (NEW).]

SECTION HISTORY

PL 1989, c. 914, §5 (NEW).

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Fact Sheet

LD 2277: Authorization to Convey Three Judicial Properties

Biddeford District Court

25 Adams Street

Land: 0.88-acre parcel (Lot 341, City of Biddeford Tax Map 38)

Deed recorded Book 18544, Page 272 York County Registry of Deeds

Building: Constructed 1998

35,038 square feet total, of which 20,264 is finished and 14,774 unfinished

First floor 14,774 square feet of finished space

Basement 5,490 square feet of finished space

Basement 14,774 square feet of unfinished space

Springvale District Court

447 Main Street, Springvale

Land: 0.92-acre parcel (Lot 112, City of Sanford Tax Map L15)

Deed recorded Book 19242, Page 906

Building: Constructed 2002

24,060 square feet total, all finished space

First floor 12,030 square feet finished space

Upper floor 12,030 square feet finished space

York District Court

11 Chases Pond Road

Land: 5.5-acre parcel (Lot 185, Town of York Tax Map 220)

Deed recorded Book 18544, Page 275

Building:

Constructed 1988

25,500 square feet total, half finished space

First floor 12,750 square feet of finished space

Second floor 12,750 square feet of unfinished space