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**Testimony of Nancy Smith, CEO of GrowSmart Maine  
In Support of LD 492, An Act to Repurpose Vacant Shopping Mall and  
Retail Space to Mixed-use Housing and Retail**

May 12, 2023

Senator Pierce, Representative Gere and Honorable Members of the Joint Select Committee on Housing,

My name is Nancy Smith, I live in Ellsworth, and I am the CEO of GrowSmart Maine. We are a statewide non-partisan non-profit organization helping communities navigate change in alignment with smart growth. We advocate for comprehensive policies and funding for smart growth practices and outcomes.

We have partnered with Build Maine to guide a transparent crowd-sourcing of policy proposals that began a year ago, and has drawn together over a hundred people from across Maine and beyond. [Policy Action 2023](#) has resulted in sixteen proposals from eight working groups, all addressing the shared goal, ***“to address barriers to and create incentives for equitable, sustainable growth and development that strengthens downtowns and villages of all sizes while pulling development pressure away from productive and open natural areas. We do so acknowledging that Maine has urban, rural, and suburban settings for which any solution may or may not be a fit and a variety of people who deserve to be welcomed to their communities.”***

While LD 492 is not a Policy Action 2023 proposal, the intent of the sponsor aligns with this goal, and we support the bill for that reason. It aligns well with LD 1673, the Thriving Corridors bill also being presented today.

We would, however, suggest clarifying language below:

3. Residential units in retail space. A municipality shall consider the establishment of or allowance for residential units in properties located in an area zoned for commercial use such as vacant or partially vacant **office space**, retail properties or shopping malls **except when those properties are located where such a conversion will likely be detrimental to neighboring retail locations.**

We suggest this language for several reasons:

- As an example, while residential in upper floors is complementary to and strengthens retail in the downtown, mixing first-floor residential with retail space can create confusion and gaps between retail spaces that disrupt foot traffic flow, deterring further exploration of the downtown. Too many in a row and shoppers will turn around. Main Streets are all about exploring and discovering; that’s what makes them different from a shopping mall.

- In this new post-COVID time, there is significant office space left vacant with the new hybrid or remote working models. Adding this potential location for residential could prompt fruitful conversations at the local level.
  
- Regarding shopping malls, the addition of a definition of shopping malls should be included or referenced in this section. We note that this bill will not fix the issue at the Aroostook Centre Mall which is allowed to have residential by municipal zoning even on the first floor, but there is a deed covenant that is prohibiting the use of non-retail uses not customarily sited at a mall. The abutting property owner is enforcing this covenant and would enforce the prohibition against residential.
  
- Because this language is voluntary in nature, it should avoid conflict with deliberate policy decisions made for areas to be focused on ground floor retail use.

*Nancy E. Smith*