



Maine Municipal Association

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Provisional Testimony of the Maine Municipal Association

Neither For Nor Against

LD 1694 – An Act To Create the Maine Redevelopment Land Bank Authority

May 13, 2021

Senator Curry, Representative Roberts and members of the Innovation, Development, Economic Advancement and Business Committee, my name is Neal Goldberg, and I am providing provisional testimony neither for nor against LD 1694 on behalf of MMA. Amended testimony will be submitted if the comments offered today do not align with the Legislative Policy Committee's official position.

Blighted, abandoned, and environmentally hazardous or functionally obsolete properties exist in every community and municipalities have long struggled with how to redevelop them. These properties remain in poor disposition due to a market failure that makes development too costly, timely, and risky for private investment to correct. This market failure forces public entities to take the lead on redevelopment.

For many communities, the process of redevelopment is hard to navigate on their own. Having a state authority that offers tools to municipalities to streamline the process would be very helpful. One municipal official noted it can take almost five years for some properties to get through all stages of redevelopment from acquisition, planning or financing to demolition, renovation, or resale. All the while, these properties are not generating property taxes to the municipality and remain an impactful eyesore to the community.

There is hope that such an Authority would spur a windfall of needed development activity. Some municipal officials see the potential for the Authority to create a boon in downtown economic development as redeveloped properties host new businesses. Others see this as an avenue for returning needed low- and medium-income housing to the housing stock.

One municipal critique is the identified funding source draws from all communities yet may only be available to some. The \$3 per ton fee on construction and demolition debris is going to come, in part, from every tax payer in every municipality. The municipal opt-in, while a very considerate provision, means communities that do not participate are going to be paying into a fund they cannot access. Instead, it might be more appropriate to assess the \$3 per ton fee only to municipalities with a local redevelopment authority.

Thank you for your thoughtful consideration of this important matter.