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Amended Testimony of the Maine Municipal Association

In Support of

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

January 18, 2022

Senator Curry, Representative Roberts and members of the Innovation, Development, Economic Advancement and Business Committee, my name is Neal Goldberg, and I am providing amended testimony in support of LD 1694 on behalf of MMA.

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. These circumstances force public entities to take the lead on redevelopment at the expense of local property taxpayers.

For many communities, the process of redevelopment is hard to navigate without partners. LD 1694 addresses this difficulty by facilitating the creation of redevelopment land bank authorities at multiple levels of government. This bill creates a statewide authority to tackle the largest redevelopment projects that are simply beyond the scope of municipal capacity. Regional Planning Organizations (RPOs) and Councils of Governments (COGs) would also be encouraged to establish similar authorities to work intimately with municipalities in their areas. Meanwhile if a local government wants to redevelop land without partnering with another jurisdiction, this legislation extends that permission too.

The primary concern with this legislation rests at the regional level. Municipalities have long enjoyed their partnerships with their RPOs or COGs and would be delighted to undertake this type of redevelopment in tandem with a regional organization. However, across the state RPOs or COGs have varying degrees of capacity to perform land redevelopment. For the benefits of this legislation to be equally available to all municipalities, there should be additional supports to build robust RPOs or COGs capable of performing this type of activity in every corner of Maine.

Having land bank authorities around the state that offer 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 blemish in the community.

There is hope this legislation will spur a windfall of needed development activity. Some municipal officials see the potential for this bill 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.

Thank you for taking the time to review MMA's amended testimony and for your thoughtful consideration of this important matter.