



233 West Main Street • Yarmouth, Maine 04096
Tel (207) 847-3577 • info@mainepreservation.org
www.mainepreservation.org

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Ms. Deborah Johnson
Maine Department of Community and Economic Development

Dear Deb:

In 2013, Maine Preservation gave Honor Awards to two projects, Sanford Mill in Sanford and Lisbon Falls High School. Sanford Mill had been vacant and decayed, and had begun to be demolished. The City felt so strongly about this landmark that the City acquired the mill through eminent domain and then sold it to private developers to be rehabilitated. After an investment of over \$10 million, the building was put into service with 36 income - restricted apartment units and 22,000 feet of square feet of commercial space. This project turned an eye sore into a great asset for the town of Sanford, and raised the taxable value of the building from \$142,000 to \$2,163,000.

Lisbon Falls High School is a beautiful building built in 1906 that had sat vacant since 2005. But Greater Brunswick Housing Authority invested more than \$3 million to create 12 affordable housing units and to put this building on the tax rolls for the first time in history. This project raised its tax valuation from \$0 to \$677,000.

As part of these Honor Awards, the Department of Economic and Community Development was recognized at the awards ceremony because of the Community Development Block Grant funds invested as a small but critical part of each of these projects.

Community Development Block Grants were invented to provide funds to the local level in order to focus on downtown revitalization and affordable housing. They, along with historic preservation activities, the Main Street Program and new construction, have substantially reversed the decline that was facing downtowns throughout Maine. By investing in downtowns, we are providing the Maine taxpayer payback for their long-term outlay in infrastructure in these very compact areas. Studies show that there is much higher payback to the taxpayer for investments in compact downtowns than for investments on the far-flung edges of town. As a result, like with the historic tax credits, taxpayers are rapidly paid back for their investments from new property tax dollars arising from these developments. While Maine continues to recover from the Great Recession, now is not the time to pull back the most flexible, effective and beneficial program that the federal government has for local community development. As taxpayers, we object to the use of these public funds for purposes that do not produce such a substantial payback as CDBG has done for Maine.

Furthermore if the State CDBG allocation is not used for local community development, this puts our smaller communities at a distinct disadvantage. This is because the largest towns in Maine are Entitlement Communities and receive their own set of Community Development Block Grants. Therefore using the State allocation would be unfairly removing funding from the smaller communities, many of which need it the most, while continuing to allow the larger communities, including Portland, to collect its own Community Development Block Grant monies.

It is critical to support the Maine Downtown Center of the Maine Development Foundation with Community Development Block Grants, because like the block grants, the MDC organizes downtowns in order to use these funds and its own local funds to build the liveliness and the tax base of downtowns most effectively. And it coordinates the use of millions of other dollars that have gone into our downtowns in just the last 5 years to enhance and revive the core of and heart of Maine's communities.

We urge you to continue to utilize \$100,000 of CBDG funds to support the Maine Downtown Center of the Maine Development Foundation, and to utilize the remainder of the CDBG funds to underwrite the projects that have been so effectively invested in over the last 40+ years.

Thank you for this opportunity to comment.

Best wishes.

Sincerely,

A handwritten signature in black ink that reads "Greg Paxton". The signature is written in a cursive, flowing style.

Greg Paxton

Executive Director