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# The Urban Renewal Story, Bangor, Maine: How It Can Be Done and How It Can Save You Tax Dollars

Bangor Urban Renewal Authority

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# *The* URBAN RENEWAL *Story*



**BANGOR, MAINE**



HOW IT CAN BE DONE  
AND  
HOW IT CAN SAVE YOU  
TAX DOLLARS

**T**his booklet is presented with the compliments of Bangor's Official Urban Renewal Authority in the interest of Bangor citizens and taxpayers. Its purpose is to point out the need, the benefits and the urgency of this vital project. The documented facts will show that this is a now-or-never opportunity for Bangor to solve a serious community problem by accepting an outright Federal Grant, (not a loan) of \$5,500,000 to accomplish this purpose.

Most important of all, it will show that if we *act now*, this vital, multi-million dollar project can be completed with an expenditure of about \$120,000 in city funds and with the aim of helping to hold down local taxes.

Many misleading and frightening statements have been made about the impact of the downtown project upon the community. The information presented here is both factual and objective. The Bangor Urban Renewal Authority is interested only in the development and progress of the City of Bangor itself, and does not represent or speak for any private group or special interests.

We urge every citizen and taxpayer to acquaint himself with the facts and figures contained herein. It will then be evident that Bangor's Urban Renewal Plan is beneficial both to Bangor now as well as to the Bangor our children will inherit.

Urban Renewal Authority  
of the City of Bangor,

Francis A. Finnegan, Chairman

## Bangor needs Urban Renewal

Every thinking person knows that times have changed. Time was when transportation and communications were such that small communities for hundreds of miles around looked to Bangor as a metropolis; the wholesale and retail shopping center as well as a center of professional and cultural activities for all of northeastern Maine. In those days, Bangor met the challenge and enjoyed a long era of prosperity.

With the advent of the automobile, superhighways, air transportation, radio, television and the whole new concept of marketing and merchandising, Bangor's position has drastically changed. All around us communities have grown and developed to a point where they no longer need to look to Bangor as the Mecca of their needs.

Bangor, due in large part to its military installations, has for the last fifteen years enjoyed a reasonably high degree of prosperity. During this same period, however, nearby communities have been making inroads on our market, particularly the retail trade. It is imperative that Bangor begin to recapture its former position, and as well, to prepare itself for the influx of travelers that can be expected when the Interstate Highway is completed in November of 1964. If the downtown area is to be able to compete successfully with outlying shopping centers and nearby communities, it must be revitalized. It must be made attractive, convenient, and accessible. This is the whole purpose of the downtown Urban Renewal Project.

Bangor's day of need fortunately coincides with its greatest opportunity. We now have a once-in-a-lifetime opportunity to rebuild downtown and to restore its appeal and vitality without spending large amounts of local tax dollars in the process.

Private capital has been and still is reluctant to make the necessary investment to do the job. If certain business interests oppose the plan with the manifold assistance it provides for relocation, it is a foregone conclusion that they will make no serious effort or expenditure to relieve the unsightly congestion that now exists.

Bangor's Urban Renewal Plan is the *only* answer to Bangor's need. In no other way can so much be done for so many for so little.

## Urban Renewal and local Taxes

Tax valuations in Bangor's downtown business district have a direct bearing on taxes paid by homeowners and other properties outside the business district. Therefore, as tax valuations in the downtown district *go down*, taxes outside this district must *go up*.

Downtown property values are under heavy pressure. In the past four years, Main Street, was devalued \$746,000.00 as the result of several sales and appraisals. Estimates based on recent selling prices of downtown business properties indicate the possibility for additional devaluation of 3½ to 4 million dollars. This *would* increase the tax rate by \$1.00 per thousand if it were allowed to happen. We feel certain that the downtown project can and will reverse this trend and will thus strengthen our tax base.

Since we propose to proceed on a block by block basis, we are confident that the value of new construction will exceed the value of property taken within one year of the start of the program. We can, therefore, avert the present danger of further downtown tax loss and at the same time foster the development of new and higher values in the downtown area with the downtown urban renewal project.

## What is the Urban Renewal Law?

Urban Renewal is a joint Federal-Local action designed to improve communities by restoring sub-standard residential and commercial properties in blighted areas.

## How does it Work?

A local Urban Renewal Office is established under a special State Legislative Act. Projects planned by this office are submitted for Federal and City approval. When approved, the office may then acquire and demolish non-conforming properties in a designated Urban Renewal area, sell the cleared land for private development and construct improvements such as streets, lighting, parks, sewers, etc. Costs of projects are shared 75% Federal money, 25% local money, or comparable credits.

## When did Urban Renewal Thinking Come to Bangor?

In 1955 and 1956 when a survey of the city showed a substantial amount of sub-standard property in certain residential districts.

## When did Urban Renewal for Downtown Bangor Come into the Picture?

In 1961 when the Federal Government included commercial areas as eligible for Urban Renewal. At that time it was learned that \$1,500,000 of the cost of Bangor's Kenduskeag Plaza, parking project could be applied as a credit toward a downtown Urban Renewal project entitling the city to a \$5,500,000 Federal grant or gift; not a loan.

## What Happens Next?

The plan has been drawn up and submitted to the Federal Government. Pending approval, a public meeting is required by the planning board and the City Council. The question will then be brought to the voters in a referendum.

### Is there a Deadline?

Yes . . . All approvals must be finalized by October 1964, otherwise the stream project credit of \$1,500,000 will be forfeited.

### How much Territory is Covered by the Plan?

The plan covers an area of 52 acres. Included in this area are 200 buildings housing approximately 300 separate business firms. One hundred and six buildings are scheduled for demolition. The assessed valuation of real estate that would be acquired is \$4,200,000.

### How much Tax Loss does this Represent?

If all this real estate were to be acquired and demolished at one time, and *no* redevelopment took place, the annual loss in taxes would be \$138,000 representing a little less than \$1.00 per thousand dollars on the tax rate.

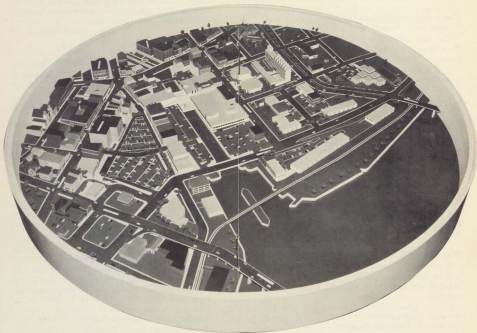
### What is the Possibility of this Tax Loss Taking Place?

Practically no possibility at all. At the present time there is much interest by developers, both local and outside, in acquiring land for redevelopment in this area. Demolition will take place over a period of up to five years. Thus, present tax revenues will be retained as new and greater tax revenues are acquired.

### How much Federal Money will be Given us outright for this Project?

The Federal Government will make us an outright gift of \$5,300,000 on the shared program. In addition, they will give us up to \$264,000 for relocation grants. Of this total, nearly \$1,000,000 will be used for public improvements, such as new streets, sidewalks, sewers, parks, parking areas, and underground wiring, which, in all prob-

THIS IS THE *NEW* DOWNTOWN BANGOR



*The dream that CAN come true*  
AND SAVE YOU TAX DOLLARS



ability, will have to be done at some future time, and paid for with local funds.

#### **How much New Retail Space will be Provided by this Project?**

The plan contemplates 150,000 to 200,000 sq. ft. of new and replacement space in the next five years.

#### **Is there enough New Business to Support this Increase?**

Professional market studies and actual investigation indicate that this increase can *definitely* be expected.

#### **Why must some Wholesale Firms be Required to Move?**

Some wholesale firms occupy key locations in the Urban Renewal area designated as essential for retail use. The plan, however, has provided prime space within the project for relocation of these firms. The new wholesale districts designated are on Washington Street, (the former Maine Central Railroad Station site) and on lower Broad Street.

#### **Who will Finance Redevelopment?**

It is expected that about 50% of redevelopment will be accomplished with local capital; the other 50% will undoubtedly be financed by outside developers.

#### **Are there any Prospective Customers for Land Sites Acquired?**

Yes. There is a definite interest. At the present time there are more prospects than there will be land available. These include both local and outside interests. One national chain has expressed definite interest in a site for a 60,000 sq. ft. operation; another for 100,000 to 130,000 sq. ft. operation; three developers are interested in the pro-

posed motel complex. Several food chains have expressed definite interest; eleven firms now in this area are planning to rebuild, or expand within the area. Undoubtedly many more prospects will be generated as the plan develops.

#### **What about Business Firms now on Rental Lease Basis who will be required to Move?**

These firms will be eligible for moving expenses up to \$25,000. If qualified, they will also be entitled to Government Small Business Administration loans, at low interest rates, to build in this area.

#### **What about Marginal Business Firms Displaced?**

Some small businesses thrive in low rent districts and debilitated areas. Some of these may upgrade to conform to a better environment. Others will seek locations in other areas of the city.

#### **How about Properties in the Area not Demolished?**

There are 94 properties in the area that will be required to rehabilitate to meet the required standards of present building codes.

#### **What about Parking for Anticipated Business Growth?**

Public parking proposed will provide approximately 350 additional spaces in the area. The plan also includes a substantial amount of private parking in addition to the 350 new public spaces, to further improve the parking situation.

#### **Will there be Off-street Loading?**

On each parcel sold to a redeveloper, there will be off-street loading and unloading required.

#### **Why the Pedestrian Parks and Walk-ways?**

These are integrated into the plan to provide

easy access, making the project area, Main Street, Broad Street and Exchange Street, a unified shopping Center, with easy auto and pedestrian accessibility between them. These will be built by the Authority as a part of project costs.

#### **What about a public rest room?**

Rest room facilities are provided in the plan. These facilities will be constructed by City of Bangor, and applied as a credit to the project.

#### **Does Federal Authority dictate regulations?**

Not beyond approval of the plan. Once approved, the project is expedited locally within the framework of the plan.

#### **Can the plan be Changed after Approval?**

Yes, for reason, and with consent of all parties concerned; that is, the Federal Government, the City, and the party concerned.

#### **Who has priority on land sites?**

Prior occupants or owners in the project, unless a particular parcel is designated for public use, such as a parking area, street widening, etc.

#### **Who Determines Values of Properties Acquired?**

Fair market values will be determined by two separate appraisals by outside, neutral appraisers. In case of a wide disparity, a third appraisal will be made. Appraisals are reviewed by Urban Renewal Authority and are confidential until final.

#### **What about the \$350,000 pledged by Private Downtown Business Firms toward the Kenduskeag Plaza Project?**

These 20 year pledges were, and continue to be, a legal obligation. The one release clause affects a firm in the event it were to discontinue business.



Bangor, as it is today. ▲ Bangor, as it can be. ▼





Bangor, as it is today.



Bangor, as it is today.



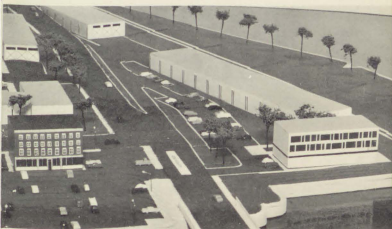
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Bangor, as it can be.



Bangor, as it can be.



Bangor, as it can be.