

MIDA Testimony on Blight - Lue Ann Pawlick, Executive Director and John LaCarte, MIDA President

The Mon Valley region is no different from many other parts of the country trying to recover from the closing of steel mills, coal mines, and many other industries. With the loss of jobs comes a decline in population, older homes and abandoned buildings. Not to mention the inevitable drug use and abuse that is everywhere but runs rampant in these small towns. School districts lose their tax base which makes it difficult for them to keep up with the newer schools that are built in newly developed neighborhoods. The emergence of shopping malls, strip malls and the spread of suburbia also contribute to the chronic deterioration of small towns to the point where the term blight has become a descriptive term for many small towns.

It is a vicious cycle. And it is a difficult situation to recover from once the downward spiral begins. But the spirit of the people who live in these towns can be fierce when it comes to saving their towns – the towns where generations of families have lived. And that is why all of you are here tonight. You are all here to work hard to develop solutions to an age-old question. And results follow perseverance.

Everyone must play their part. We need housing. We need good schools. We need grocery stores and banks and gas stations and the amenities people expect in their towns. But first, we need jobs. Good jobs - jobs that pay the bills and sustain families so that getting a mortgage is possible.

Over the past decades, numerous studies have been commissioned and various projects have been funded in these communities. Most of these were focused on restoring the retail economic base of the small towns. It is time for everyone to recognize that a retail economy can only be supported by residents with adequate levels of disposable incomes. Only when a critical mass of job creating companies locate within our region can residential, retail, cultural and recreational projects have their intended success and impact.

Hardly a week goes by where our office does not receive a call from a company looking for industrial and commercial space. While our communities have plenty of empty building they are not properties that meet the needs of potential job creating industrial and commercial prospects. As a result, these opportunities are lost to other markets who have the inventory of commercial and industrial sites ready for immediate occupancy. It is hard to imagine that the amount of retail space that exists in these small towns, even if rehabilitated, could be absorbed in our children's children's lifetime. Therefore, these properties and the valuable infrastructure that exists in these communities should be redeveloped into job producing commercial and industrial sites.

Moreover, small towns with old deteriorated eyesore buildings are not going to attract companies. These buildings need to be torn down. Partnerships need to be created with the towns so that a developer can tear down these buildings without taking on tax liabilities until the properties become productive. If a product – a parcel that is shovel-ready – exists then a company will be more inclined to look in that town for a local expansion or relocation. If a spec building exists, the odds of attracting a quality company are exponentially increased. A private developer is not going to tear down a building and build a building without a great deal of local cooperation. Everyone must be on the same page to entice a developer to invest money into a blighted town rather into a sure thing elsewhere. That means

tax incentives, delayed land repayment, utilizing federal, state, county and local funds for building demolition.

All of that commitment is still not enough if the town doesn't have the infrastructure to sustain businesses. Deteriorated roadways with posted weight limits leading to the towns and inadequate water and sewage can render a town obsolete. Planning and funds must be allocated to insure that blighted towns do not shrivel up and go away.

Planning for the entertainment, parks, housing, zoning – it is all important. But it means nothing unless there are jobs. Town leaders must be on board with this fact. They must understand that the eyesores and unused buildings must go away. In some cases they can be rehabilitated, but most of them must be demolished.

MIDA is committed to helping companies create jobs in the Mon Valley region. MIDA will work with town leaders and funding agencies to facilitate the elimination of empty or under-utilized buildings to help to create these jobs.