



STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT

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DEVELOPMENT

JANET T. MILLS
GOVERNOR

HEATHER JOHNSON
COMMISSIONER

March 14, 2024

**Testimony of Commissioner Heather Johnson
In Support of LD 2258**

***An Act to Create an Income Tax Credit for Investments in a Team's Qualified Minor League Baseball Facility
to Keep the Team in the State***

Good Afternoon, Senator Grohoski, Representative Perry, and distinguished members of the Taxation Committee.

I am Heather Johnson, Commissioner of the Department of Economic and Community Development. I am here to testify in strong support of LD 2258, and to share some of the reasons why this is a good and important investment for Maine's people and our economy.

The Portland Sea Dogs were established in 1994, and for the past thirty years, they have shown the positive economic impact – and the positive youth impact – that baseball can have in a state. You may have read in last week's paper that attendance at games in the 2023 season was more than 400,000 people.

The economic contributions of the Portland Sea Dogs include those realized through the day-to-date operations of the organization, and the spending of fans and visitors who come from outside the area to attend events. According to the 2021 Economic Impact Study done by UMaine, these direct impacts accounted for \$15.2 million in statewide economic output, 345 full-and-part-time jobs.

Major League Baseball has created a set of standards that all Minor League teams must meet to be in compliance. To meet these standards, there need to be some significant improvements to Hadlock Field. As you likely know, Hadlock Field is owned by the City of Portland and leased to the Sea Dogs. Having said that, the Sea Dogs need these improvements to be in compliance, so they will be making the investment in the stadium upgrades.

This bill proposes to support Diamond Baseball Holdings, owner of the Sea Dogs, as they make the capital investments required. I'm sure the Sea Dogs team will talk about the improvements, but they represent a significant capital investment to the stadium. It will not result in additional revenue for the team but will allow the team to remain in Maine. This bill does not cover the cost of the expansion, it offers a portion of the investment returned as a tax credit after completion.



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We appreciated the opportunity to work with the bill sponsor on his amendment, which we believe you will receive this afternoon.

You have heard/will hear from others today who have shared the significant charitable work done by the team and its owners. Year after year, for the past three decades, they have raised money for organizations like the Barbara Bush Children's Hospital, the Maine Children's Cancer Program, the American Cancer Society. Slugger has made his way all over the state to support nonprofit events.

What is harder to quantify – but no less important, in my opinion – is the team's dedication to young people in our community. From youth baseball clinics to reading challenges with Slugger, to special ballpark nights with free tickets for youth-serving organizations ranging from Big Brothers Big Sisters to the YMCA to the Maine Children's Cancer Program, the Sea Dogs provide a family-friendly environment with positive role models that encourage giving back to the community.

Many of you have heard me say this before, but it is far more expensive, time consuming and risky to replace a lost asset than it is to maintain the one you already have. We encourage committee members to consider examples like Pawtucket, Rhode Island as you consider this bill. Thank you for the opportunity to testify, and I would be happy to take questions.