



February 4, 2024

Dear Taxation Committee,

We are writing to express strong support for **LD 146** which proposes significant and necessary adjustments to the state's historic tax credit program and has fiscal note for the State of Maine budget. These proposed changes are crucial to preserving Maine's rich architectural heritage and fostering economic revitalization in our communities. Fathom Companies is planning a transformational renovation to the historic Fidelity Bank Building in Monument Square of Portland, ME that would not be a viable development without historic tax credits.

The modification to the maximum tax credit for certified historic structure rehabilitation projects, as outlined in Part B, will have a meaningful impact on Maine's historic preservation efforts. By raising the combined maximum tax credit from \$5,000,000 to \$10,000,000 across the first two years of a project, this change will provide the financial flexibility needed to undertake large-scale restoration efforts. This change strikes a balance between incentivizing major rehabilitations and ensuring that smaller projects are still supported by the program. If passed, LD146 would allow the planned renovation to the Fidelity Bank building to proceed with the most efficient construction sequencing and therefore reduce costs and improve the overall financial performance of the project, otherwise the viability of the project is not guaranteed given the significant financial impact to both construction costs and future revenue that result from a phased occupancy over multiple calendar years.

In particular, Maine would benefit greatly from the acceleration of tax benefits earlier in the life of the project as the first several years of a project can be the most difficult for any development. The initial phase often requires significant upfront investment and presents cash flow challenges. By making additional tax credits available earlier on without increasing the total value of credits available to a project or State of Maine budget, this change will provide much-needed capital at a critical juncture, making long-term success more likely.

Historic preservation is not only an investment in our cultural heritage, but also a driver of economic growth. By supporting historic rehabilitation projects, we stimulate local economies, create jobs, and breathe new life into neighborhoods, specifically into areas like Monument Square of Portland, ME which has been suffering due to the ongoing vacancy of both the Fidelity Bank Building and the Time & Temperature Building due to the cost barriers of redevelopment and restoration. This development will also result in a contribution of \$430,000 into the City of Portland housing trust fund to help combat the statewide housing crisis. This legislation will help Maine remain competitive in attracting and retaining developers and investors committed to preserving our historic structures while fostering vibrant communities.

In conclusion, **LD146**, represents a significant opportunity to strengthen Maine's historic preservation program, promote economic development, and enhance the quality of life in our state. We urge you to support this important bill and help ensure that Maine's historic buildings continue to serve future generations.

Thank you for your attention to this matter, and for your continued dedication to preserving the unique character and heritage of Maine.

Very truly yours,

A handwritten signature in blue ink, appearing to read "J H Brady". The signature is stylized and written in a cursive-like font.

James H Brady  
President