



Testimony in Support

LD.70².An.Act.to.Increase.the.Maximum.Amount.of.Historic.Property.Rehabilitation.Tax.Credit.
That.May.be.Taken.in.a.Year

February 5, 2025, 1:00 p.m.

Taxation Committee

Chairwoman Grohoski, Chairwoman Cloutier, and Honorable Members of the Taxation Committee. My name is Patrick Vyncke, SVP of HRI Hospitality, LLC, and I am writing in support of LD 146, An Act to Increase the Maximum Amount of Historic Property Rehabilitation Tax Credit That May be Taken in a Year. My firm has an interest in redeveloping the **Time & Temperature building** in downtown Portland but face construction cost pressures and added costs that come with repurposing an historic building. This bill represents an opportunity to expedite historic rehabilitation by enabling a developer to take the full amount of the credit in the first year, rather than phasing the credit over a period of years.

LD 146 would modernize the current historic rehabilitation tax credit program to better reflect the current costs of construction. As costs have increased, so has the total cost of the project. While the overall value of the credit is usually sufficient to close the financing gap for historic properties, the credit function as an injection of cash that is necessary to move a project forward. LD 146 would ensure that the cash infusion comes when it's needed in the project timeline.

LD 146 should not result in any additional costs to the state and should not affect the bottom line of the current or upcoming biennial budgets. The money allocated for the credit will not increase – merely the time in which a developer or investor can accrue the value of the credit. For this reason and building on the legislative support in the last session, we believe now is the time to make this important statutory change.

The historic rehabilitation tax credit is a *proven* program to create housing, rehabilitate downtowns, and catalyze main street revivals. To date, the historic tax credit program has brought so much direct and indirect capital to the state that it pays for itself in local and state taxes. Additionally, the credit is designed to work in tandem with federal law, unlocking additional dollars to support these projects.

LD 146 represents an easy policy choice for the Taxation Committee – it will not result in additional spending by the State, but will result in additional dollars coming in, and additional historic projects back into commerce. I strongly urge the Taxation Committee to advance LD 146 to the legislature and encourage the Appropriations Committee to either incorporate the language of the bill into the biennial budget or exempt the bill from the Special Appropriations Table for final passage.

Thank you for your thoughtful consideration of this important policy initiative, and for all you do for the State of Maine.

Sincerely,

Patrick Vyncke

HRI Hospitality, LLC