**DATE: February 5, 2025**

**TO: Senator Grohoski and Representative Cloutier**
**Chairpersons, Committee on Taxation**

**RE: Testimony on Proposed Legislation**

**LD 146, SP 82**
**"An Act to Increase the Maximum Amount of the Historic Property Rehabilitation Tax Credit That May be Taken in a Year"**

**BY: Matt Assia,**
**Vice President of Development and Asset Management**
**Chinburg Properties**

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My name is Matt Assia. I am a Scarborough resident and Vice President of Development and Asset Management for Chinburg Properties. As a Maine resident and a housing development professional focused on rehabilitating historic properties, I am writing to express strong support for LD 146, which proposes important updates to Maine's Historic Property Rehabilitation Tax Credit with no impact on the State of Maine budget.

The proposed change is crucial for promoting economic growth and housing creation across the state while preserving Maine's architectural heritage. The proposed adjustments are critical to ensure that historic rehabilitation projects remain financially viable and continue to contribute to the revitalization of Maine's communities.

Chinburg is a vertically integrated real estate developer and investor focused on housing and mixed-use properties. The company has been converting historic mills into housing since 1996. Over the last eight years, Chinburg has completed three (3) historic rehabilitation projects in the Saco and Biddeford historic mill district that have created 373 apartments, a 33-room hotel, and over 50,000 square feet of commercial space housing around 50 local businesses. Chinburg owns additional mills in Sanford and Lewiston and we have similar plans to create housing and modern workspaces while preserving each mill's brick and beam character. Preservation projects like these do not happen without the support of both the federal and state historic tax credits.

Currently, the Maine credit is 25% of qualified rehabilitation expenses (QREs), up to a maximum $5 million in credits per year. Each of our Maine historic mill projects hit this $5 million cap, with more than $20 M in QREs. Because of the size of the buildings and rising rehabilitation costs, we know our future projects will far exceed this $5 million maximum. Phasing occupancy over two or more years to earn the full benefit of the tax credit adds a layer of complexity and cost to already challenging projects. Historic preservation is not like factory production; unforeseen conditions exist and can derail the construction a schedule.  Unexpected delays may ruin the phasing plan and thereby create a gap in financing due to missed tax credits.

We support the proposed change because it would eliminate the scheduling risk of phasing plans, it would reduce the costs associated with orchestrating phased construction and phased occupancy, it would accelerate the completion of projects, and it would put more dollars towards housing and business creation rather than to the costs associated with phasing.

Historic preservation is not only an investment in our cultural heritage but also a catalyst for economic growth. Supporting these projects creates jobs and housing, strengthens local economies, and revitalizes neighborhoods. LD146 will help Maine remain competitive in attracting developers who are committed to preserving historic properties while fostering vibrant, sustainable communities.

I strongly urge you to support LD146 and ensure the preservation of Maine's historic buildings for future generations.

Thank you for your attention to this matter and for your continued dedication to protecting Maine's unique character and heritage.