



January 28, 2025

Augusta Board of Trade
P.O. Box 5143
Augusta, ME 04332-5143

Subject: Support for Proposed Amendments to 36 MRSA §5219-BB – Increasing the Maximum Tax Credit for Certified Historic Structure Rehabilitation Projects

Senator Grohoski, Representative Cloutier and Honorable Members of the Joint Standing Committee on Taxation:

On behalf of the Augusta Board of Trade, I am writing to express our strong support for the proposed legislation amending 36 MRSA §5219-BB. This bill, which raises the maximum allowable tax credit for certified historic structure rehabilitation projects to \$10 million during the first two years of credit eligibility, represents a critical opportunity to further preserve Maine's historic legacy while addressing the pressing need for economic growth and housing development.

In the past five years, several transformative projects in Augusta's historic downtown have directly benefited from the existing historic tax credit program. These projects have revitalized underutilized and deteriorating structures, breathing new life into our community, creating jobs, and providing much-needed housing options. However, with rising construction costs continuing to present significant financial challenges, the current credit limits are no longer sufficient to ensure the successful completion of future larger projects.

The proposed increase in the tax credit limit will:

- Enable more projects to move forward by addressing the growing gap between escalating construction costs and available funding, ensuring continued investment in Maine's historic downtowns and beyond.
- Create more housing opportunities, which are urgently needed to support our workforce and attract new talent to fuel Maine's economy.
- Support larger-scale, impactful rehabilitation projects that generate jobs, enhance property values, and foster local economic growth.
- Preserve Maine's unique historic structures, reducing environmental impact by prioritizing adaptive reuse over new construction.

The expansion of this program is vital not only to preserve our heritage but also to respond to Maine's urgent housing crisis. Historic tax credits have proven to be one of the most effective tools for addressing the dual goals of preservation and development. Projects supported by these

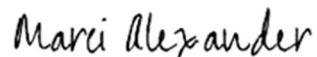
credits provide tangible benefits, including job creation, increased property tax revenues, and the revitalization of communities.

As we look to the future, expanding the credit cap to \$10 million in the first two years will ensure that ambitious projects can proceed despite economic pressures, creating more housing opportunities and helping Maine remain competitive and attractive for residents and businesses alike.

We urge you to support this important legislation. By strengthening this program, the Legislature will not only preserve our past but also build a stronger future for Maine's communities and economy.

Thank you for considering this critical measure. The Augusta Board of Trade remains committed to assisting in any way to advance these shared goals.

Sincerely,



Marci A. Alexander, Esq.
President

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