



May 8, 2025

Madame Chair and Taxation Committee Members,

My name is Scott Hanson, and my business is Hanson Historic Consulting in Topsham. I have been working as a historic consultant specializing in historic tax credit rehabs in Maine for 15 years. In preparation for testifying on LD 1755, I went through the National Park Service's online database, counting up all of the historic tax credit projects that have ever been done in Maine, and discovered that I have worked on approximately one-third of them. I have significant experience on this topic.

I have worked on projects of all sizes across the state of Maine from South Berwick to Eastport. Many of these projects have been in our larger urban areas where the commercial and residential rents more easily support the cost of rehabilitating these historic buildings. Eastport is a good example of the challenges faced in more rural communities. In 2010 I did the first part of the National Park Service historic tax credit application process for the old American Can Company factory in Eastport and got it determined eligible for the use of historic tax credits.

It is a classic early 20th century brick factory building that literally sits over the water at the head of Water Street in downtown Eastport. A new building could not be built in this location with current environmental protection laws. It has huge windows with sweeping views from Cobscook Bay down to Lubec and Campobello. It is the last building standing related to the sardine canning industry that filled Eastport's waterfront a century ago. It would make a spectacular boutique hotel or residential apartments with commercial tenants on the first floor but after 15 years of trying to make it work, the owners have not been able to get the rehab to pencil out. This is where the additional 10% on the Maine historic tax credit could make the difference between a project that works and one that just isn't possible.

This story repeats in small towns all across the state. I have met and worked with numerous downtown commercial building owners who would love to renovate their upper stories for apartments using historic tax credits, but the numbers just don't work with the rents they can charge for the completed units. The cost of rehabilitating these buildings to meet current code and contemporary expectations for living space is basically the same whether they are in the Old Port in Portland or Main Street in Dover-Foxcroft. The rents that can be charged for the completed units in these two locations are dramatically different.

Unlike many tax credit programs in Maine, this program has a clearly documented track record of returning more in tax revenue to the state and municipalities than the cost of the tax credits. It is tax credit that works the way they are supposed to. I would also like to mention that the state's historic tax credit program is very efficiently managed by the staff at the Maine Historic Preservation Commission. There is no bloated bureaucracy supporting this program, just a handful of dedicated and hardworking people who do excellent work.



LD 1755 will provide the boost needed for many more of these important housing and economic development projects to be done in rural communities across Maine. I urge you to support this bill.

Sincerely,

A handwritten signature in dark ink, appearing to read "Scott T. Hanson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Scott T. Hanson

Hanson Historic Consulting
8 Pleasant Street
Topsham, ME 04086
207 620-6291
scott@hansonhistoric.com