



HIGH TIDE CAPITAL

**Testimony of Andrew (Dash) Davidson
Principal, High Tide Capital
In Support of LD 1755
Committee on Taxation – Public Hearing, May 8, 2025**

Chair Grohoski, Chair Cloutier, and Honorable Members of the Committee on Taxation,

Thank you for the opportunity to testify today in support of LD 1755, my name is Dash Davidson and I am a principal at Bangor based community developer, High Tide Capital.

Since I started the company in 2021, we have invested \$75 million dollars in Maine, in 8 historic tax credit projects spread across the state, in the following communities: Bangor, Brewer, Orono, Skowhegan, and Rumford. Through these projects we have preserved 8 landmark historic building, created 200 new housing units, activated 10 commercial storefronts, opened 4 new restaurants, and started a new boutique hotel.

This hotel, which we've named The Skowhegan, opens tomorrow at our Spinning Mill project in the middle of Skowhegan. This project, I think, is the best example of why LD 1755 is such an important and impactful piece of legislation for your consideration.

The Spinning Mill was built in 1908 on the banks of the Kennebec River at the Skowhegan gorge and immediately employed over a thousand workers. Because of the opening of the mill, the town of Skowhegan began to grow and prosper.

Fast forward over a hundred years to when we started this project in 2021, the mill had been vacant and shuttered for an entire generation: The largest, most visible, and most important building in downtown Skowhegan. Derelict. A symbol of the town's economic demise.

Now, after four years of hard work, community and state support, and one giant devastating "once in a century flood", for the first time in a generation the lights at the Spinning Mill are back on.

We have just hired 10 people to run the hotel, which will provide a new reason for weddings and events and business and leisure travelers to come to Skowhegan.

Amber Lambke, the fantastic Skowhegan entrepreneur who you will hear from in a bit, is opening a Biergarten restaurant and outdoor patio bar at The Spinning Mill, employing more new local people and generating more new economic activity.

And in June we are having the first wave of residents move in to the 41 fantastic loft apartments on the mill's upper floors, helping address Skowhegan's severe housing crisis.



HIGH TIDE CAPITAL

In our small rural towns and cities, the successful rehabilitation of even 1 building like can have a tremendous, outsized, impact on the fortunes of its home town.

As a preservationist and community developer, I would love nothing better than to spend all of my time and money on projects like The Spinning Mill, and right now we are trying now to start new, similar projects in Rumford, and Orono, and Eastport.

But the harsh economic reality is that projects like this one simply do not work. Investment dollars flow to projects where the rents justify the renovation cost of the project. And, unfortunately, renovation costs have never been higher, and costs are more or less the same in our biggest cities as in our smallest towns. So it is no surprise that capital is flowing to areas like Portland, and Brunswick, and Biddeford, where the rents from finished projects can justify their high construction costs.

In our small rural cities and towns, this is not nor will soon ever be the case. The only reason The Spinning Mill was able to get completed was because the townspeople of Skowhegan approved a monumental TIF package for the project AND the State of Maine, through the Federally Funded COVID Era THRIVE MAINE program, gave a \$2,000,000 grant to the project.

These sorts of extraordinary financing mechanisms are not sustainable, and cannot be counted on for future projects.

If we want more projects like The Spinning Mill to happen in the small rural communities that MOST need them, we need to pass LD 1755.

Each community we work in has grappled with a significant shortage of housing, both market rate and affordable housing for working families, seniors, and young people. This shortage has put pressure on local employers struggling to recruit and retain workers. At the same time, higher and higher costs have left many of Maine's historic buildings underutilized with empty storefronts and vacant, deteriorating upper floors, that contribute to blight on our main streets and detract from positive economic development.

LD 1755 offers us a historic opportunity to address these challenges. And yes, that was a pun.

Every rural project we undertake starts with at least a 10% financing gap – meaning that rural main street projects are typically dead on arrival without the sort of extraordinary support we received at The Spinning Mill. With the proposed 10% boost in the State Historic Tax Credit for projects that create at least 33% housing, small developers throughout the state would be provided the missing link to convert underutilized buildings into much-needed residential



HIGH TIDE CAPITAL

units, both activating storefronts and address our housing shortage. This approach diversifies new housing from big new developments outside towns to where we want it most – main streets.

LD 1755 provides a targeted, cost-effective solution. By focusing on existing buildings, this bill ensures that new housing supply is delivered quickly and at a low cost to the state. This is essential for rural towns, where the economics of new ground-up development are nearly always prohibitive.

The revitalization of historic buildings is not just about housing - it's about pride in our rural towns. A rehabilitated main street attracts visitors, supports local businesses, and enhances property values. It is a visible, tangible symbol of a town's renewal and of the state's commitment to its rural citizens.

In closing, LD 1755 represents a smart, targeted, and impactful approach to addressing rural Maine's housing needs and revitalizing our historic town centers. It is a bill that invests not just in our historic cultural heritage, but in new housing and economic development and in the very future of rural towns across our state.

Starting tomorrow, when the 25,000+ daily drivers drive by the Spinning Mill on Route 201, they will see the best possible billboard for what the future of Skowhegan represents: Hope.

I urge you to support this important legislation and thank you for your time and consideration.