

Good afternoon, Senators and Representatives.

My name is Ben Sprague, and I serve as Senior Lender at First National Bank, which is a Maine-based community bank headquartered in Damariscotta, but I work in Bangor. I appreciate the opportunity to speak with you today in support of LD 1755 and applaud and appreciate all of the time you put in to your work on behalf of the people of Maine.

Maine is a state defined by its character—and much of that character is found in the deepest roots of our rural communities and, oftentimes, in the very structures and historical buildings therein. While many of these structures are old, that's not inherently a problem. In fact, they provide something deeply valuable: a sense of place, identity, and continuity that's increasingly rare in modern development. Preserving that is not just an economic opportunity—it's a cultural good.

We are also facing a housing crisis that cannot be ignored. I can say from my perspective as a lender that there are developers ready and willing to help, including through the adaptive reuse of older buildings. But the economics of making these projects viable are increasingly difficult, particularly here in Maine. Construction costs are up more than 30% in the past few years, driven by inflation in building materials, rising costs of engineering and other sitework, and a persistently tight labor market—especially in rural areas.

I see many deals come across my desk of developers who want to execute on a project, but they just can't make the math work because of these very high costs, which means the projects don't take place, which means Maine misses out on the redevelopment opportunity, the new housing, and from a municipal revenue standpoint, the higher property tax revenue from refurbished buildings. Each one of these projects also blossoms into further development in its periphery, having positive ripple effects through these communities.

That's why adjusting and strengthening the Historic Preservation Tax Credit with a focus on these rural areas makes sense. It's a targeted, strategic way to make the numbers work on projects that both add housing and preserve the character of our communities. It bridges the gap between good intentions and mathematical reality. Again, from the perspective of our bank, we have been involved with several of these projects that have created dozens of new housing units that simply would not have happened without the Historic Preservation Tax Credits. Enhancing the state credit, I believe, will lead to even greater levels of development and ultimately what we all want, which is more housing here in Maine.

LD 1755 is about unlocking the potential of the assets we already have. It's about encouraging investment right here in Maine as opposed to elsewhere, creating housing, and keeping Maine's communities vibrant and livable with a deep respect for the past but a keen eye to the future.

Thank you for your time and for your thoughtful consideration of this important legislation.