

## **SUPPORT HISTORIC BUILDING REDEVELOPMENT TO REDUCE SPRAWL**

To protect Maine's natural resources and quality of place, residents and policymakers must work together and determine where development belongs, and where it does not belong.

Poorly planned development sprawling far from town and city centers consumes Maine's natural areas, degrades water resources, and increases energy use and CO2 emissions (particularly because of transportation costs/vehicle miles traveled). It generates tremendous and rising local and regional infrastructure costs, and is also a significant driver of Maine's municipal and state budget problems.

Sprawl also threatens Maine's wildlife in numerous ways. Including the hundreds of miles of roads it requires, sprawling development fragments and destroys wildlife habitat, brings chemical contamination, increases vehicle-wildlife collisions, and spreads invasive species.

It is critical that Maine put the brakes on sprawl, improve and expand its strategy for concentrating growth in existing service centers. Redeveloping existing buildings for mixed use—residential and commercial—is an essential component of that strategy.

### **LD 262, An Act to Amend the Credit for Rehabilitation of Historic Properties**

LD 262 would create a tax-credit to aid downtown revitalization by encouraging adaptive reuse of historic buildings as an alternative to new construction on farmland and other open space.

To supplement the Federal Historic Tax Incentives Program, it would:

- Raise the total tax incentive for restoration of properties on the National Register from 20 to 25 percent;
- Remove the tax-credit cap of \$100,000 per taxpayer, per year;
- Create a small-projects provision authorizing a full 25-percent state credit for restoration projects that fall below the \$250,000 federal threshold; and
- Make the incentive fully refundable.

### **LD 262 Enacts Reforms Developed by National Experts and Maine Stakeholders**

Over the last 30 years, the federal historic tax preservation credit has proven very effective at supporting urban revitalization through rehabilitation of vacant or underutilized mills, warehouses, public buildings, old downtowns, and barns. Federal tax cuts in the late 1980s significantly reduced the effectiveness of the program, leading Maine and other states to enact supplemental provisions. Recent studies, such as the 2006 Brookings Institute Report, found that Maine's program is underutilized.

Passage of LD 262 would substantially assist the efforts of residents, town planners, architects, bankers, developers, and conservationists who stand ready to give Maine's historic mills, warehouses, and barns new life as anchors of revitalized downtowns and small-town communities.

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