Tax Increment Financing Revenue

Economic Development TIF Districts

Tax Increment Financing (TIF) is an economic development tool administered by the Town in partnership with the State of Maine. TIFs allow municipalities to maximize tax shelter benefits and leverage property taxes generated by specific projects within a defined geographic district. The Town of Scarborough has two active economic development TIF districts:

Downtown Omnibus TIF
Designated area encompasses nearly 1,000 acres, with the municipal campus in the center, Oak Hill to the north, and The Downs to the south. It also includes a small section of Route One in front of the municipal campus. The Downtown TIF is active for a 30-year term, expiring 6/30/2049.

Haigis Parkway TIF
Designated area encompasses Haigis Parkway and a section of Payne Road. The Haigis Parkway TIF is active for a 30-year term, expiring 6/30/2033.

The taxes paid on the increased assessed value (new growth) in these districts can be used for qualified municipal project costs, including certain improvements related to traffic, environmental infrastructure, and specified facilities. TIF revenues may also be utilized to fund economic development costs permitted by the Maine Department of Economic and Community Development (DECD), outlined in the respective TIF approval documentation.

TIF Revenue Uses

The statute, administered by DECD, dictates the allowable uses for TIF Revenues (30-A § 5225). Strategic use of TIF funds can help offset annual budget impacts with eligible project costs that fall within one of the following categories:

- **Operating Costs**
- **Capital Investments**
- **Debt Service Repayment**
- **Credit Enhancement Agreements** (with District Developers)

This exhibit outlines proposed FY26 TIF revenue uses for each district and a three-year lookback summary of TIF revenue use.

Tax Increment Financing Revenue

~ FY 26 Proposed Budget ~

DOWNTOWN TIF

Sources	Projected FY25 Ending Balance	($98,260)	$3,021,740
	Estimated FY26 TIF Revenues	$3,120,000	
Proposed Uses	**Operating Costs:**		
	Economic Development *(Non-SEDCO)*	($603,704)	
	Traffic-Related	($318,157)	
	Childcare	($195,808)	
	Evironmental Infrastructure	($119,819)	
	Public Safety Facilities/Equipment	($60,225)	
	Operating Subtotal →	($1,297,713)	($1,297,713)
	Debt Service:		
	('18, 19', 20') Public Safety Building *(50%)*	($587,402)	
	(2023) PW Gorham Rd - Phase III	($255,312)	
	(2019) Gorham Rd Reconstruction Phase I	($121,058)	
	(2020) PW Gorham Rd Reconstruction Phase I	($56,607)	
	Debt Service Subtotal →	($1,020,379)	($1,020,379)
	Capital Investments:		
	North Scarborough MPO Grant Match	($200,000)	
	East Grand Avenue Roadway Design	($175,000)	
	Trails and Sidewalk Master Plan	($75,000)	
	Sawyer Street Grant Match	($75,000)	
	GIS Update & Stormwater Compliance	($50,000)	
	Lower Payne Rd Resiliency Engineering Design	($50,000)	
	Eastern Trail - Safety Fencing	($40,000)	
	Digital Sign	($35,000)	
	Capital Subtotal →	($700,000)	($700,000)
	Est FY26 Ending Balance →		**$3,648**

Tax Increment Financing Revenue

~ FY 26 Proposed Budget ~

HAIGIS PARKWAY TIF

Sources	Projected FY25 Ending Balance	$36,056	$1,916,056
	Estimated FY26 TIF Revenues	$1,880,000	
Proposed Uses	**Operating Costs:**		
	Economic Development *(Non-SEDCO)*	($622,694)	
	Traffic-Related	($382,557)	
	SEDCO	($327,725)	
	Town Hall Maintain/Repair	($137,873)	
	Evironmental Infrastructure	($119,819)	
	Public Safety Facilities/Equipment	($60,225)	
	Trails-Rec	($60,119)	
	Operating Subtotal →	($1,711,012)	($1,711,012)
	Debt Service:		
	N/A	$0	
	Debt Service Subtotal →	$0	
	Capital Investments:		
	Access & Intrusion Alarm - Town Hall	($75,000)	
	Facilities Assessment	($50,000)	
	Safety Renovations - Town Clerk's Office	($50,000)	
	Carpet & Ceiling Tile Replacement - Town Hall	($30,000)	
	Capital Subtotal →	($205,000)	($205,000)
	Est FY26 Ending Balance →		**$44**

TIF Revenue Use Summary: Three-Year Lookback

	Downtown TIF	FY 24 Actual	FY 25 Projected	FY 26 Proposed
	Captured TIF Revenues	$ 3,059,213.20	$ 4,303,467.35	$ 4,794,000.00
	Total CEA Payments	$ (1,180,036.78)	$ (1,490,152.51)	$ (1,674,000.00)
	Retained TIF Revenues	$ 1,879,176.42	$ 2,813,314.84	$ 3,120,000.00
	Prior Year Ending Balance	$ 58,653.00	$ 184,338.42	$ (98,259.74)
	Total Available TIF Funds *(Retained + Prior Balance)*	$ 1,937,829.42	$ 2,997,653.26	$ 3,021,740.26
Uses	Operating Expenses		$ (883,688.00)	$ (1,297,713.00)
Uses	Capital Investments	$ (825,000.00)	$ (1,005,000.00)	$ (700,000.00)
Uses	Debt Service	$ (928,491.00)	$ (1,207,225.00)	$ (1,020,379.00)
	Total Town Uses	$ (1,753,491.00)	$ (3,095,913.00)	$ (3,018,092.00)
	Ending Balance	$ 184,338.42	$ (98,259.74)	$ 3,648.26

	Haigis Pkwy TIF	FY 24 Actual	FY 25 Projected	FY 26 Proposed
	Captured TIF Revenues	$ 1,450,050.45	$ 1,655,736.97	$ 1,880,000.00
	Total CEA Payments	$ -	$ -	$ -
	Retained TIF Revenues	$ 1,450,050.45	$ 1,655,736.97	$ 1,880,000.00
	Prior Year Ending Balance	$ (2,785,219.00)	$ (1,619,680.55)	$ 36,056.42
	Total Available TIF Funds *(Retained + Prior Balance)*	$ (1,335,168.55)	$ 36,056.42	$ 1,916,056.42
Uses	Operating Expenses	$ (284,512.00)	$ -	$ (1,711,012.00)
Uses	Capital Investments	$ -	$ -	$ (205,000.00)
Uses	Debt Service	$ -	$ -	$ -
	Total Town Uses	$ (284,512.00)	$ -	$ (1,916,012.00)
	Ending Balance	$ (1,619,680.55)	$ 36,056.42	$ 44.42