



MINUTES TOWN FINANCE COMMITTEE

Thursday – June 12, 2025

Hybrid
5:00 P.M.

Item 1. Call to Order. J. Anderson – Chair, called the meeting to order at 5:03 p.m.

Item 2. Those Present. Finance Committee members present: Councilors Jonathan Anderson – Chair, Karin Shupe and Council Chair April Sither. Others present: Thomas J. Hall, Town Manager, Liam Gallagher, Assistant Town Manager, Norm Kildow, Finance Director, Nick Cloutier, Town Assessor/Director of Special Projects and Karen Martin, Director of SEDCO.

Item 3. Approval of Minutes: May 1, 2025. Motion by K. Shupe, seconded by A. Sither, to move approval of the minutes from the May 1, 2025, Finance Committee meeting.

Vote: 3 Yeas. Motion passes.

Item 4. Discussion and consideration on the formation of a TIF District in the Dunstan Area.

- There was a presentation for a proposed TIF (Tax Increment Financing) District in the Dunstan area, covering approximately 230 acres of land, including 100 acres of vacant land and 130 acres of potential redevelopment sites. The proposed district would focus on the area between Route One, Broadturn Road, Payne Road, and Stewart Drive, with mixed-use development opportunities and the potential to preserve historic buildings from the early 1900s. It was emphasized that the TIF District would not change underlying land use zoning and would primarily serve to provide tax benefits for development in the designated area. Discussion ensued.
- It was explained that while a TIF District can accelerate development, it is not a direct incentive for growth, and its primary purpose is to shelter value by capturing and shielding new value from state valuation. It was emphasized that the proposed TIF District was not tied to a specific project, but is intended to benefit from potential future development. It was also highlighted the financial benefits of a TIF District, such as increased revenue for schools and lower county taxes, but noted that it limits the use of funds compared to general taxation. The Committee discussed the potential for more CEAs in the area if a TIF District is established, but Scarborough stressed that each application would be reviewed on its own merits.
- The Committee discussed the capture rate and term for a 30-year TIF (Tax Increment Financing) program, agreeing to start at 50% during the Haigis Parkway TIF's expiration and ramp up to 100% thereafter. They reviewed qualified uses for the TIF revenues, including transportation improvements, economic development programs, and environmental infrastructure. The Committee also considered adding a loan program to the TIF, which could potentially support SEDCO's proposed loan program for the town. They agreed with the staff recommendation for a 30-year term, noting that this would provide flexibility for future councils to adjust if needed. The

Committee raised concerns about the language in the document implying approval of a housing project's CEA, suggesting it be softened to reflect consideration rather than approval and went on to discuss the process for reviewing the project, which involves three steps: first reading, public hearing, and second reading.

Motion by J. Anderson, Chair, seconded by A. Sither, to move approval to move this recommendation for a new TIF District in the Dunstan area to the full Council.

Vote: 3 Yeas. Motion Passes.

Item 5. Discussion and consideration of the Marshview CEA Request.

- Representatives from the South Portland Housing Development presented a proposal for a 50-unit senior housing development in Scarborough, highlighting the need for affordable housing and the financial benefits of the project. The development would be funded through federal dollars, local housing tax credits, and a credit enhancement agreement (CEA), which would allow the project to borrow an additional \$500,000. The project would have no impact on schools and would contribute to the town's affordable housing goals.
- The finance committee discussed the fiscal analysis for a housing project, with Scarborough requesting counselors to review criteria and provide scores. They agreed to create a term sheet for the project and to review the financial impact analysis of schools.
- The Committee agreed to move the project forward for consideration, with a recommendation expected by the July 10th Finance Committee meeting.

Item 6. Discussion on 2025 Town Council Goals related to the Finance Committee.

- The Committee wanted to make sure they were in align for discussions at the Goals Workshop. They focused what was within the Committee's purview. There was discussion around the financial impact analysis of the school and whether to wait until it was ready to go to bond. If the timing works out, the Committee could review it and make sure we are aligned with it.
- They move on to discuss the stakeholder groups to develop a comprehensive long-term facilities planning strategy. There were other large projects possibly coming up like a community center, the library as well as other capital projects. How do we collaborate to start to have conversations on this? It was suggested that the finance committee may not be the right spot for this discussion. Further discussion ensued.
- The Committee went on to discuss the pros and cons of implementing a stormwater management fee. A stormwater management fee could create more funds to be able to address all the things that would be in the Vulnerability Plan. The Tax Assessor and the Town Engineer would know what is needed to have a general analysis of what an impact like a stormwater management fee would look like coming into town. It was suggested that that K. Shupe would reach out to the Town Engineer and the Assessor and have a conversation with them and see when they could get some analysis on the Committee before this Committee expires. Further discussion ensued.
- Next Goal up for discussion was refine the credit, enhancement, provisions around eligibility and process. It was noted that this had been completed at the beginning of the year. It was suggested that as the Committee goes through the first round with the CEA and if there are things that are

observe that we want to tweak in the policy. This would be a good opportunity to see if there is anything that we need to change.

- The Committee went on to discuss the Transportation Committee and their proposed Study. Noting that once the Council accepted it they will be able to use it as clear roadmap of projects. They went on to discuss the grant for the Payne Road project and as well a funding for sidewalks.

Item 7. Public Comments.

- Richard Hayes of Martin Avenue, raised concerns about the Marshville project, expressing opposition to its rapid progression and questioning the transparency of the decision-making process.
- Marvin Gates of Black Point Road, voiced his concerns with regards to the proposed TIF in the Dunstan Area and went on to comment on the Marshview Project.
- Alyson Bristol of Bayview Avenue, voiced her concerns with regards to the proposed Marshview Project and went on to comment about the number one concern for the public, is growth.
- Susan Hamill of Bay Street, spoke about the manning a table on Election Day relating to the growth in Scarborough. She further commented on the TIF proposal and the CEA related to the proposed Marshview Project.

Item 8. Adjourn. Motion by A. Sither, seconded by K. Shupe, to move approval to adjourn the regular meeting on the Scarborough Finance Committee.

Meeting adjourned at 6:50 p.m.

Respectfully Submitted,

Yolande P. Justice
Clerk to the Council

[Not present at meeting, Transcribed by Video.]