

**South Berwick Town Council  
Public Hearing  
Transit Oriented Omnibus Municipal TIF  
December 27, 2022**

Chair Mallory Cook opened the hearing at 6:15pm on a motion seconded by John James.

Councilors present included John James, Jessica Cyr, and Melissa Costella. Town Manager Tim Pellerin and Asst Town Manager Jennifer Janelle were also in attendance.

The purpose of the hearing was to receive public comment on the newly proposed Municipal TIF (Tax Increment Financing) Development Program known as the Transit-Oriented Omnibus Municipal Development and Tax Increment Financing District.

Phil Mundy, of 24 Liberty Street, spoke in favor of the new Transit TIF District, economic development, agreed with comments made by Brett Cropp. Stressed the importance of pedestrian access, sidewalks, crosswalks, and other improvements to make way for economic development, and for people to be able to walk freely. The trail system, natural resources, is a great draw for tourists

Hershey Hirschkop of 11 Sterling Ln spoke in favor of the TIF, this new TIF District will be a benefit to the Town. Help pay for salaries, etc. Help with economic development, planning, codes. Appreciates the effort the Town is making with regards to TIFs and economic development

Denise Clavette, read into the record, an email received from Brett Cropp 34 Liberty Street, He has witnessed successful economic revitalization within his previous states municipality and is in favor of the TIF. He asked the following questions Are you able to secure bonds for projects and then pay off the bonds with the TIF? How often does the state adjust valuations? Is that a yearly event?

Denise replied Regarding TIF funding and bonds: TIF Districts, initially, have modest growth. With valuation changes, and development growth TIF districts can gain significant increases in funds in a short time. For example, the current Punkin Town TIF District is producing about \$400,000 per year. And if all TIF funds are not expended each year, the TIF fund can accumulate and be able to fund large capital projects later down the road. Bonds that are issued, that qualify as TIF expenditures, can be paid annually on a pro-rated basis. One of the most important concepts to remember, is that the Town will be able to shift several general fund expenditures and fund them out of the TIF Districts – like salaries, economic development operations, capital and infrastructure projects, pro-rated fire equipment, among others.

Regarding State annual adjustment: The state does an annual valuation adjustment, where Maine Revenue Services certifies to the Secretary of State, the full equalized value of all real and personal property which is subject to taxation under the laws of Maine.  
A copy of the email and responses are attached

Town Manager Tim Pellerin discussed the tax rate, comprehensive plan, and that we need to diversify the tax base. We are at about a 90% / 10% residential to business tax base, and we need to move forward with the support of the Town Council. We are now focusing on economic development, using TIF funding for Denise's position. With the re-developed program for Punkintown, doing the new TIF, we are looking 5-10 years out. This new TIF District will get us further out, help get us a Downtown Revitalization Plan, better services, cost savings. The TIFs will help us fund capital and expenditures, and shift those out of our regular general fund budget. At our Department Head meeting this morning, it was mentioned that we have 1 confirmed new business coming to South Berwick, and we are talking with 6 other businesses re: their projects. We need a plan moving forward, that is what he and Denise are her for. We want to be a "hallmark town". Need to focus on the "big

picture" and look back 10 years from now at improvements made based on what you're approving tonight.

Amanda Methot, Bernstein Shur attorney mentioned that this particular TIF District, being a Transit-Oriented TIF, along Route 236 was large, but that Transit was an exception, so South Berwick did not have to be concerned with the 5% cap, and frees us up for other TIF Districts that would go toward the 5% cap.

Melissa Costella discussed that constituents had concerns about project cost totals, salaries, operations, and the long-term solutions – along with concerns about sidewalks, the high costs of the development program items, and why we would want to shift salaries.

Town Manager Tim Pellerin, and Economic Development Director Denise Clavette explained the concepts of shifting from general fund to TIFs to save tax payer funds; and it was also explained that the estimates were annualized for over 30 years and just an estimate not actual expenditures planned for. It was also re-affirmed that the Town Council on an annual basis, will get to decide what should be prioritized and funded via TIFs or general fund. Councilor Jessica Cyr discussed that we need to also look at the upcoming Comprehensive Plan, look at priorities, and that it was great that we will be able to keep funding locally and not have them go to the state.

Further discussion from Councilor John James, and other councilors in regards to salary shifts, and to types of businesses that we would want in South Berwick. Response from Tim, was that this was a land use issue, that the Zoning Ordinance will need to be updated at some point.

On a motion by Mallory Cook, seconded by Jessica Cyr, it was unanimously voted to close the hearing at 6:40pm.

Attest:



Tyanne Vasapoli, Deputy Town Clerk