

Rehab of Southgate receives final OK 8/28/2015

Avesta Housing will renovate historic complex

By Michael Kelley
Staff Writer

The Planning Board officially approved a project this week that will both save a historic structure and increase the number of affordable housing units in town when it gave the final go-ahead for Avesta Housing to rehabilitate the Southgate House at 577 Route 1 on Monday. Historic preservation and affordable housing have been two long-term goals of the town.

Robert Southgate, a prominent businessman, farmer and attorney in town, built the historic home in the early 1800s.

The plan includes renovating the historic home into eight apartments, constructing a new four-story building behind the home, where 42 apartments will be located, and converting an old barn into community space. The majority will be efficiency or one-bedroom units. The property will be accessed by a right in/right out from Route 1, something that tripped up Planning Board members during the review process. It was determined, however, that the arrangement was the only one that would work, given the proximity to Scarborough Marsh and chaotic nature of passing traffic along Route 1.

"I am happy how this turned out and am looking forward to it coming to fruition," said Planning Board Chairman Corey Fellows.

The Town Council approved a contract zone request for the project Wednesday,



A plan by Avesta Housing to develop the old Southgate House property into 50 affordable housing units. The front porch of the home was constructed sometime in the 1900s and may have to be removed if the National Park Service deems it to not be historically significant to the house, which was built by Robert Southgate in the early 1800s. (Courtesy photo)

Aug. 19, clearing the final hurdle for this week's Planning Board review. A contract zone was needed because of the size and scope of the project. The project proposes more units than the zone allows.

Town Councilor Shawn Babine said he is not a fan of contract zones, but allowed one in this case because of "what it can provide" to the town.

Town Council Chairman Jessica Holbrook said she is happy to see a project to bring affordable housing to town come to fruition after many years of effort.

"I think this is a wonderful first step for

us," she said. Holbrook also appreciates the project's rehabilitation of the home, a historic site in town.

"If this project didn't come forward, it probably was going to be lost," Holbrook said.

Fellow councilor Kate St. Clair also supports the project, but was frustrated it didn't include more affordable housing units for families, which she called "a desperate need in Scarborough."

"You've done a wonderful job with this,"

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she said. "It is going to be a beautiful area."

Prior to the meeting, councilors held a workshop about the possibility of designating the property a tax increment financing (TIF) district for a period of 17 years. A public hearing and second reading

is scheduled for Wednesday, Sept. 2.

The TIF would give the project the funding it needs to succeed. Once completed, the property is expected to be valued at \$2.6 million and create \$40,000 in taxes, which would be split evenly between Avesta and the town. The town would use its share of the anticipated tax revenue for future affordable housing

projects, while Avesta would use it to cover operating costs and other financial obligations.

Town Manager Tom Hall said the TIF will make a difference whether the project is financially viable or not.

The hope is to apply to MaineHousing to get TIF and project approval this fall and, if successful, begin construction in

August and wrap it up a year later.

If the project does not get MaineHousing permission to proceed by Feb. 1, 2017, the TIF arrangement becomes null and void.

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