

Black Point Resource Management, LLC

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May 14, 2025

Sen Rachel Talbot Ross (co-chair)
Rep. William Pluecker (co-chair)
Members of the Agriculture, Conservation and Forestry Committee

RE: *LD 1093 An Act to Direct the Department of Agriculture, Conservation and Forestry, Bureau of Parks and Lands to Prevent the Use of the Term "State Park" by Nonstate Parks*

Dear Sen. Talbot Ross and Rep. Pluecker and members of the Committee:

On behalf of Black Point Resource Management, which operates Scarborough Beach on behalf of the State of Maine, we write to express serious concerns regarding the final amendment passed by the Agriculture, Conservation and Forestry Committee last month regarding LD 1093. This amendment changed the original bill by, among other things, requiring Scarborough Beach to accept state park passes starting in 2029. If this requirement moves forward, Scarborough Beach will become a net operating loss for the State of Maine and will lead to serious traffic and parking conditions that the Beach is not set up to handle. These two impacts could also jeopardize the ability of the Beach to remain open to the public in the future. ***For these reasons, we urge the Committee to reconsider the amendment to LD 1093 and remove any requirement that Scarborough Beach accept state park passes.***

About Black Point Resource Management. By way of background, Scarborough Beach is owned by the State of Maine and currently operated by Black Point Resource Management (BPRM). BPRM is a partnership between The Sprague Corporation and One Beach Corporation. One Beach Corporation is a small business owned by Greg Wilfert of Scarborough, and The Sprague Corporation is a family business currently operated by Jack Lufkin of Portland. BPRM has been operating Scarborough Beach State Park since 1999. In that time, the Bureau of Parks and Lands, the Town of Scarborough, and BPRM have enjoyed a cooperative relationship regarding this beautiful natural resource.

The State of Maine currently earns revenues from the operation of Scarborough Beach. BPRM operates Scarborough Beach pursuant to a lease agreement that expires on May 1, 2029. Under the lease, the State of Maine pays nothing for the operation of Scarborough Beach but benefits from a share of gross sales associated with the Beach. After the lease expires, the State would either need to operate the Beach on its own, or it would need to enter into a new lease with a private operator on new financial terms.

The current lease limits the sale of park passes. The current lease between the State and BPRM limits BPRM to selling no more than 2,000 of its passes given the severe limitations on physical space and parking. Under the lease, BPRM and the State have agreed that the Beach should not accept state park passes due to the severe space limitation. The website of the Bureau of Public Lands expressly states that state park passes are not valid at Scarborough Beach. This information is also posted at the entry to the Beach itself.

LD 1093 as amended would substantially and negatively impact Scarborough Beach and the State of Maine. As amended, LD 1093 would require Scarborough Beach to accept state park passes. Currently, the State sells around 40,000 state park passes every year. If this population of state park passholders is able to visit Scarborough Beach without an additional charge, the net effect will be a

dramatic increase in the number of people who can visit Scarborough Beach. This creates significant operational and financial challenges for the Beach and the broader community of Scarborough.

- Overcrowding and traffic challenges. Adding 40,000 potential new users who can visit the Beach without an additional charge will inevitably result in more traffic and parking conflicts along Black Point Road, which is a narrow two-lane road that serves as the only entrance and exit to the Beach near the end of a peninsula. As it stands now, it is not uncommon for more than 100 cars to be queued awaiting entrance. This creates conflicts between motorists, pedestrians and cyclists – issues that will only be exacerbated by the 40,000 additional passholders who may attempt to access the park. Back in the 1970s and 80s when state park passholders were able to visit the Beach, such queuing and congestion were commonplace in the area. Disallowing state park passholders to use the Beach was a needed response to manage traffic and congestion.
- Financial challenges. Currently, the Beach realizes revenues through the sale of annual and day passes. If people were able to access the Beach through the purchase of a state park pass, this would dramatically reduce the number of people buying annual and day passes to Scarborough Beach. Given operational costs, this would likely result in the State of Maine realizing a net loss of \$1 million per year to keep the Beach open. These costs reflect the reality that Scarborough Beach needs to employ a crew of 13 lifeguards along with two Newfoundland water rescue dogs due to the presence of strong rip currents and very high surfer activity. In short, LD 1093 as amended would turn Scarborough Beach from a revenue generator for the State into a substantial cost to state taxpayers.

Fiscal note on the bill. As drafted, the Committee amendment would not commence until 2029, outside of the state’s biennial budget. However, to the extent that the amendment would result in a financial loss to the State starting in 2029, this amendment sets up a structural gap that future State Budgets will need to address. These costs could exceed \$1 million per year.

Future of Scarborough Beach becomes uncertain. As noted, the operating lease on the Beach expires on May 1, 2029. After this date, continued operation is up to the State of Maine. The State could choose to operate the Beach itself, and assume approximately \$1 million in annual operating costs. Alternatively, the State could choose to hire a private operator, which would involve the State having to pay the operator as opposed to current operations where the private operator provides a return on gross sales. Whether the State chooses to continue operating the Beach under these financial circumstances would ultimately be a decision for the State in light of its overall finances and budget.

Neither the Town of Scarborough nor BPRM had advance notice of the Committee amendment to LD 1093. As originally drafted, LD 1093 would prohibit the use of the term “state park” in the name of Scarborough Beach. BPRM did not oppose, and in fact, supported this change. However, at the work session on the bill, the Committee substantially altered the bill in a way that Scarborough Beach would be required to accept state park passes for admission. BPRM and the Town of Scarborough only found out later about this action. In subsequent communications with Town officials and neighbors, we understand that there are significant concerns about the amended version of LD 1093, and that some of these concerns have been expressed to local legislators and others.

For all of the reasons noted above, we believe LD 1093 as amended presents serious concerns for the future of Scarborough Beach and we would urge the Committee to reconsider its action and return to the

original intent of the bill, which was to remove the phrase “state park” from the title of Scarborough Beach.

If you have questions or need additional information, please do not hesitate to let us know.

Respectfully,

A handwritten signature in black ink, appearing to read "Jack Lufkin".

Jack Lufkin, President
The Sprague Corporation

A handwritten signature in black ink, appearing to read "Greg Wilfert".

Greg Wilfert, President
One Beach Corporation

cc: Tom Abello, Office of Governor Mills
Ron Hunt, Director, Bureau of Public Lands
Tom Hall, Town Manager, Town of Scarborough