

April 10, 2020

Re: Mill Plaza Redevelopment Project Fiscal Impact Analysis

Dear Members of the Durham Planning Board,

During these difficult times, thank you for continuing to serve the Town.

I, for one, wonder whether the Town should be conducting non-essential business during this health-emergency period, especially as it pertains to huge projects that will impact large numbers of residents -- particularly when public participation has become difficult (and, indeed, impossible for those grappling with health issues or with limited digital experience). I am concerned that continuing under such circumstances disadvantages the public and favors the applicant.

As for the CDA Fiscal Impact Analysis that was posted on April 3, I would like to make a few comments:

- **What is the point of requesting a Fiscal Impact Analysis on a project if it does not include overall fiscal impacts outside of itself?** Presumably, all redevelopment projects will generate more tax revenue. What is the point of a study, then, if not to weigh the positive tax benefit of a single project against possible negative fiscal impacts on adjacent properties or other tax revenue-generating properties in town? These all impact the bottom line for our Town, and that is what the Planning Board should consider.
- I am concerned not only about how several hundred more students will impact adjacent property values and quality of life for the neighbors, but also about **likely impacts on other student rental properties in town**. While the proposed CDA dormitories in the Mill Plaza will likely fill to capacity because of their downtown location, what will the fiscal impacts be on The Cottages and The Ledges (and other rental properties in town)? What sorts of negative fiscal impacts will there be on the Town should those large student housing complexes have vast numbers of vacancies?
- Keep in mind that between 2008-2011, Durham added 2,371 new beds to its housing stock. Little did the town know then about **pending UNH enrollment declines** soon to come. From the fall of 2014 - fall of 2019, UNH has experienced a drop in enrollment of first-time freshmen enrollment of 496 students as can be determined from UNH's own online resources. (<https://www.unh.edu/institutional-research/enrollment> and <https://public.tableau.com/profile/unhira-!/vizhome/UndergraduateFirstYearStudentProfile/EnrollmentbyCollege>). If that trend holds, UNH will soon have 2,000 fewer students. But even further drops are projected.

An article in Bloomberg, May 30, 2019, entitled “The Coming College Enrollment Bust,” warns that declining birth rates beginning in 2008 will impact college enrollment beginning in 2026. (Many other articles say that 2025 will be the “Enrollment Cliff” year.) For New England colleges and universities, the projected decline from 2012-2029 is 24.3%. Since there were already vacancies in student rentals (prior to the arrival of COVID-19), this does not bode well for Durham filling its existing thousands of beds. (<https://www.bloomberg.com/opinion/articles/2019-05-30/college-enrollment-bust-is-headed-this-way-by-2026>)

- With the **arrival of COVID-19**, two other factors are likely to impact the need for student housing:

With the forced transition to online learning this spring, students are discovering that they can obtain a college degree without stepping foot on a campus. While this may not be as much fun, it is definitely more cost effective.

Online learning will become even more attractive, perhaps even a necessity, as our economy tanks due to COVID-19. Attending a physical college and paying costly student housing rents may soon be a luxury of the past. Living at home and online learning may be the wave of the future as families wrestle with how to get back on their feet financially post COVID-19. And with predictions of future outbreaks, online learning may become even more attractive as a cautionary health measure.

These are all the realities of what we face here in Durham.

I urge the Planning Board to review this report with critical eyes, knowing it was created to show the project in its best light, paid for by the developer. ***I ask that the PB require a more comprehensive and balanced fiscal impact analysis conducted by an independent evaluator, one that includes at overall impacts on the Town.*** We look to you, our volunteer board of fellow citizens, to protect the interests of the Town as a whole and its residents. Better to be safe than sorry, especially as we plummet into dire economic times. The fiscal well-being of our town is more critical than ever before.

Sincerely,

Beth Olshansky
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