

To: The Planning Board
From: Dennis Meadows, 34 Laurel Lane, Durham
Date: April 17, 2020
Re: Fiscal Impact Analysis for Mill Plaza Redevelopment

The Planning Board policies require that any fiscal impact assessment (FIA) submitted in support of proposed developments be conducted according to best practice. I have read carefully through the FIA prepared by Fougere Planning in support of the proposed changes to Durham's Mill Plaza. It is not prepared according to best practice. It contains many errors and omissions, consistently stressing potential benefits of the project and ignoring possible costs. In fact it is not assessment; it is advocacy.

The response to the CDA proposal will profoundly shape the character of Durham for many decades. Wise decisions require objective information. Therefore, I hope the Planning Board will exercise its right to commission an independent FIA study at CDA's expense.

I studied finance at MIT from 3 economists who subsequently received Nobel prizes. I directed important policy institutes for 40 years. I have personally supervised two major impact assessments - one commissioned by the federal government and one by the Maine legislature. I can recognize best practice when I see it, and I do not see it in the Fougere report. This fact is not conveyed to criticize Fougere. He did precisely what he was asked to do by CDA, his client who commissioned him and paid him. However, Durham should not base its decision on information from an advocate. It needs an independent analysis.

Diane Chen's excellent letter already describes many failings of the report. I will not repeat those here, but mention a few additional problems.

The report characterizes UNH as, "the State's flagship University with a student population over 15,000." In fact the total student population exceeded 15,000 only two years in its entire history. According to UNH research it has been declining since 2017, and it is zero now. Objective forecasts for future years were for major declines even before the disruption caused by the current pandemic.

The unfolding carnage of the corona virus epidemic, expected by a growing number to become among the most disruptive economic events in the history of the USA is mentioned as “the current health emergency.” The FIA report implies that this emergency will not have any affect on recent trends.

The proposed construction will add significantly to Durham’s assessed value. That will increase the town’s costs under the funding formula for the Oyster River School District. This effect has been omitted.

The report raises many questions. Among them are:

The policy document of the planning board states “All such studies shall be conducted in accordance with a written scope of services that is approved, in advance, by the Director of Planning and Community Development.” Where can we read this document for the Fougere report?

The town planner’s report of June 13, 2018 noted suggestions to the applicant’s consultant that he consider potential spin-off impacts on other businesses in the downtown area. Where are those in the report?

Since the proposed apartments “are not occupant-restricted,” why is it valid to assume the residents will have no children in the school system?

In an era of declining enrollments, the 258 beds proposed for the Mill Plaza will reduce student rental income in other Durham properties. Assessed value, hence tax liability, is related to expected future income. What reduction in taxes from existing rental properties should Durham expect to result from new beds at the Plaza?

Other faults could be described, but those mentioned above should already justify the judgement that the Fougere report does not satisfy the Board’s requirements for comprehensive and objective fiscal analysis.