

From: [Eric Lund](#)
To: [Karen Edwards](#)
Cc: [Rick Taintor](#)
Subject: Comments on Fiscal Impact Analysis report prepared on behalf of Colonial Durham Associates
Date: Wednesday, April 15, 2020 4:06:03 PM

I am writing to comment on the Fiscal Impact Analysis report dated 2 April 2020 on the proposed Mill Road Plaza redevelopment.

There are three things I find striking about the claims made in this report:

1. The report treats the proposed project in isolation. However, the parcel involved is the largest privately owned intown parcel of land in Durham, and the project would result in substantial increases in both residential and commercial space. Assuming that any redevelopment of this parcel will have no impact on any other property in Durham is questionable.
2. As far as I can tell, none of the described analysis is forward-looking. The report describes recent (since 2000) historical trends in Durham and the region, and uses these trends to assert that a demand for the proposed student housing exists. Yet, as other commenters have noted, enrollments at UNH have started to fall and are projected to fall further starting in the mid-2020s. In the recent past UNH has covered enrollment shortfalls by bringing in international students, who pay full out-of-state tuition in cash since, as they are not US citizens or permanent residents, they are ineligible for almost all forms of financial aid. This international enrollment, especially at the undergraduate level, is already falling due to decreased interest in study in the US as a result of Federal immigration and visa policy. A likely outcome of the current COVID-19 crisis is that even fewer foreign students, especially from China (whence comes the largest contingent of such students), will be interested in pursuing degrees at UNH or most other US universities. The fiscal analysis makes no mention of the coming drop in enrollments.
3. The report's assertion that Durham has a healthy real estate market is contradicted by Figure 3 of the report, which shows that median rents in Durham have declined by about 1/3 over the period 2016-2019. This drop in rent suggests that Durham already has a glut of student housing, which would be exacerbated if the proposed student housing units are built. As other commenters have noted, a likely result would be a further decline in value of other rental properties in the town.

When coupled with some of the obvious mistakes that other residents have pointed out in the report, I must agree with them that this document is not an accurate characterization of what the fiscal impact of the proposed Mill Road Plaza redevelopment would be. I would urge the Planning Board to be skeptical of any and all claims made in this document.

Eric Lund
31 Faculty Rd.