

D-R-A-F-T Minutes
Town of Durham
MILL PLAZA STUDY COMMITTEE
Town Council Chambers, October 17, 2007
4:30 p.m. – 6:30 p.m.

Members Present: Dave Howland (Chair), Julian Smith (Vice Chair of Committee), Crawford Mills, Douglas Bencks, Chuck Cressy, Perry Bryant, Mark Henderson, Thomas Newkirk, Warren Daniel, Deborah Hirsch Mayer (came in at 4:53pm)

Members Absent: Edgar Ramos, Lorne Parnell

Also Present: Patricia Sherman (AIA Representative), Richard K. Gsottschneider (RKG Associates Representative), Members of the Public: Robin Mower, Marty McCammon, Micheal Castagna, Kyle Bruen, Dan Lazasovich, Art Guadano, and Representatives of the Three Design Teams: from LaValle Brensinger Chris Urner, from JSA Tom Ingebritson and Rob Westhelle, and from Team Durham/Midnight Oil Bill Schoonmaker and Nick Isaak.

1. Call to order 4:32 by Dave Howland.
2. Welcome and overview of agenda by Dave Howland. He provided an overview of where the Redevelopment project is and highlighted that the next Public Workshop would be on Nov. 4th, 1-4pm at the Oyster River High School.
3. Approval of agenda
Julian Smith motioned to move item 4, Approval of minutes, to later in the meeting, which was seconded by Warren Daniel and unanimously approved.
5. Public comment (up to 10 minutes w/ max 2 minutes per person)
Robin Mower – Faculty Road – Commented that people she had spoken with were annoyed that the Public Workshop of Saturday 9/7/07 was scheduled on the Town wide Yard Sale day, and requested meetings not be scheduled on the Church Bazaar day as well.

Robin mower raised a question regarding the grade of proposed parking lots and Patricia Sherman answered it was too early for specific information, but the grade will be in accordance with best practices when it is done.

6. Report from RKG Associates Inc. on its analysis of the economic potential for redeveloping the Mill Plaza property.

Richard Gsottschneider presented the findings of the report RKG Associates produced, noting that the plan will need to be reevaluated as changes are made to the designs for the Mill Plaza Redevelopment. The report did not include any kind of market study, or a feasibility study from the perspective of the developer. The report did look at the fiscal impact of the three designs and the potential of increased taxes to pay for infrastructure improvements, as well as some cost estimates for those improvements, specifically looking at if the increased taxes from the project could pay for a new town hall and library.

The overall result reached was that the net increase in taxes gained from the three designs as presented was far short of the funds necessary to build a new town hall and library. This was not meant as a negative comment on the quality of the designs but simply reflects the ratio of taxable to non-taxable pieces of the development.

Mark Henderson wanted clarification of what most of the non-taxable property was. Richard Gsottschneider clarified that parking was the largest percentage, including the proposed parking structure.

Warren Daniel asked if the Kyreages property was netted out. Richard Gsottschneider said that this was not done.

Richard Gsottschneider presented suggestions aimed at addressing the imbalance of taxable and non-taxable pieces of the redevelopment details of which can be found in the report. The suggestions included: reducing the overall scale of the

project, the retention and expansion of the existing grocery store/drug store building, the elimination of all onsite housing, adding more office space, adding an on-site hotel, and talking with UNH about possible participation in the project, specifically looking at moving the campus bookstore to the plaza.

Richard Gsottschneider continued that the owner needs to know how to finance each piece of the development and the above suggestions are each doable, while none of this would work if onsite housing were mixed in, especially student housing.

Chuck Cressy commented that there are doctors looking for space in town, that this is a good market, that there are people willing to invest right now knowing that there is a good chance of bigger and better facilities being available in a few years.

Doug Bencks asked about retail on the site and Richard Gsottschneider suggested that he was not optimistic about adding new retail to the plaza, and the above suggestions were a better way to go.

7. Q&A and discussion between RKG, MPSC and design team members about the RKG analysis and its implications for evolving design schemes.

At this point a discussion was begun that questioned how to reconcile the broad project vision statement with the funding gap and suggestions made by the RKG report. It was offered that the original vision may have been overambitious for the size of the site, and that the vision statement was understood by some to be flexible, being based on available information, so that as the information changed so could the vision.

The idea of a hotel raised interest for several Committee members and it was noted by Chuck Cressy that Mr. Pinto the owner of the Plaza was also interested in this idea. There was also further discussion of examples of hotels in the area.

The idea of a UNH bookstore on the plaza also raised interest, as Deborah Hirsch Mayer noted a positive example of this having been done with the Oberlin bookstore in Ohio. As part of thinking about what would invigorate downtown, the idea of adding office space, specifically medical facilities, also raised much interest, as people noted the current positive market in this type of facilities.

Chris Urner from LaValle Brensinger asked what specifically should be done with the town hall for the second draft of the designs. Richard Gsottschneider reiterated that as conceived all the civic buildings cannot be supported and his personal feeling was to keep the library onsite, as it is a great location for it, while the town hall doesn't need to be there. This idea was supported by Crawford Mills later in discussion if a decision had to be made to limit municipal structures on the site.

Patricia Sherman suggested that there are ways to finance structured parking and other municipal improvements. Bringing in a hotel and medical facilities could help fund a parking structure and that ways to get more return for structured parking should be sought out. This rescaled and changed vision would be creating mixed use development, and meeting criteria but in slightly different ways than originally conceived. The market can help determine what should go into spaces, as there would be need to pre-lease 50-75% of office and retail space to pay for things. Phasing and the market will provide time to feel things out.

There was some concern that the report did not analyze the designs from Mr. Pinto's perspective, and it was explained that a market analysis was not within the scope of the report presented today. Dave Howland noted that it is understood that further study would be needed. He noted that Mr. Pinto provided one third of

the funding for the current RKG study, underscoring Mr. Pinto's support for the work underway.

Discussion at this point addressed concerns about the recommendations and implications of the RKG report. There was concern and some distress about the exclusion of housing from the designs, as several of those present voiced concern that this would detrimentally affect the vibrancy of the area, and that housing was an integral part of the mixed use vision. It was also asserted that workforce housing is very much needed and was an essential part of the project. To support the idea that housing on the site would be cost effective it was also suggested that housing downtown could be created without parking, encouraging walking or even renting spaces in a garage.

It was also offered that the report's emphasis on office space may not be the best route, as confidence in office space markets may not be as high as confidence in student housing markets.

Questions were also raised concerning the emphasis on the revenue from increased taxes from the project site paying for municipal infrastructure improvements like the town hall and library. These costs should be borne by the town rather than the project, a case being made that the financial situation that lead to the RKG suggestions may be working on inappropriate assumptions of what the project is supposed to finance.

Patricia Sherman offered that the project was not looking for commercial taxes to subsidize the library, and that the project should start with essential elements for jump starting the downtown, and leave room for other things to come in.

Richard Gsottschneider affirmed that according to the report's economic analysis if no housing was built and the redevelopment included 40,000 sq. ft. of office and retail space, the parking garage could be paid for by the increase in taxes.

And in response to the above comments on housing he assented that the town needs affordable housing, but this is not the location to do it, as the property is too valuable, and that the data he has analyzed supports this assertion, as housing does not create the economic spin off effect that is being looked for. Patricia Sherman offered that in Concord old hotels in prime downtown locations were put into workforce housing and that future redevelopment would there be difficult.

The discussion at this point started to focus on developing concrete guidelines to send the design teams out with to create the second round of designs for the November 4th Public Forum. Through the discussion a general agreement emerged of using maximum constraints for the second round, to contrast with the open idealistic first round, while still leaving creative license with the design teams given some of the restraints discussed. Patricia Sherman suggested that the key was to provide the teams with the new constraints, feedback, etc., and encourage them to work with a minimalist mind set, looking at essentials for stimulating things with a minimum foot print, and emphasizing a phased approach to the development.

Some of the guide lines that emerged from the following discussion included maximum square footages based on the RKG report suggestions, to include only the immediate project property as well as the Grange property and surrounding buildings (limiting the inclusion of properties that may not end up being available for the project), the grocery/drug store will be left where it currently is and expanded to meet new design ideas, rather than being moved. All the feedback, e-mails, and comments from the previous Committee meeting minutes will be brought into consideration. A target office space sq. footage would be around 30,000 sq. ft.

Richard Gsottschneider confirmed that RKG will do another round of economic analysis based on the next round of designs. He also asked if it was possible to

look at zoning for more than 3 floors. Patricia Sherman commented that she thought they had that flexibility.

Julian Smith motioned to send the RKG report to the design teams with recommendations and guidelines from the previous discussion, using the minimum available land, but including the Varsity land for egress and exit. The motion was seconded by Deborah Hirsch Mayer.

Warren Daniel asked the design teams if they would like to add anything before the motion was voted on. Nothing substantive was added by the design teams and the motion was unanimously passed.

At this point lots of audience members and members of the design teams began leaving as the remaining points were largely Committee business.

8. Discussion about next steps, including the Round Two design workshop
The Committee decided to schedule the next regular Committee meetings Wednesday November 7th, and then November 28th, both at 4:30pm at the Town Hall.

The next Public Workshop is scheduled for November 4th, 1pm to 4pm at the Oyster River High School.

9. Other business

There was no other business.

10. Public comment (up to 10 minutes w/ max 2 minutes per person)

Robin Mower posed a question for Chuck Cressy inquiring if it would be possible to move into secondary location facilities while waiting for a primary location facility to be built? Chuck Cressy answered that he had not considered it but that it would be very unlikely because it would pose an unrealistic logistical and financial burden. Mower continued, reminding those present that a TIF had been

approved for Stone Quarry Drive to include medical facilities, raising the question about what the town will support. She also asked if the town will support that many more hotel rooms. She concluded by reminding the Committee that the walkable community of the Mill Plaza site includes residents of faculty neighborhood and encouraged controlling student housing.

4. Approval of minutes from September 17th

Julian Smith and Deborah Hirsch Mayer both had corrections to be made to the minutes prior to accepting them. These included changing the Members absent, as Ed Valena had resigned already, and the correction of several spelling errors including Deborah Hirsch Mayer's name in two places.

Also Item 3 on public comment, Robin Mower thanked the plaza management and not simply those present at meeting.

11. Adjournment

At 6:44pm Warren Daniel moved to adjourn and Julian Smith seconded the motion. It was unanimously approved.