

Town of Durham

2018 Economic Development Plan & Overview

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Downtown Core – Most Recent Redevelopment Projects

Thank you to Craig Stevens for Aerial photos

Past downtown redevelopment driven by student housing

It was an attractive investment vehicle during the “great recession”

Recession is over FOR NOW

- Durham achieved what it wanted through carefully designed **Zoning**
- Now the question is: what do we want next?
- Challenge is to encourage the redevelopment we want, while making it financially feasible to attract investment
- **Zoning** is again the key tool to achieving the redevelopment Durham wants

Orion



Henderson



Madbury Commons



Pauley's

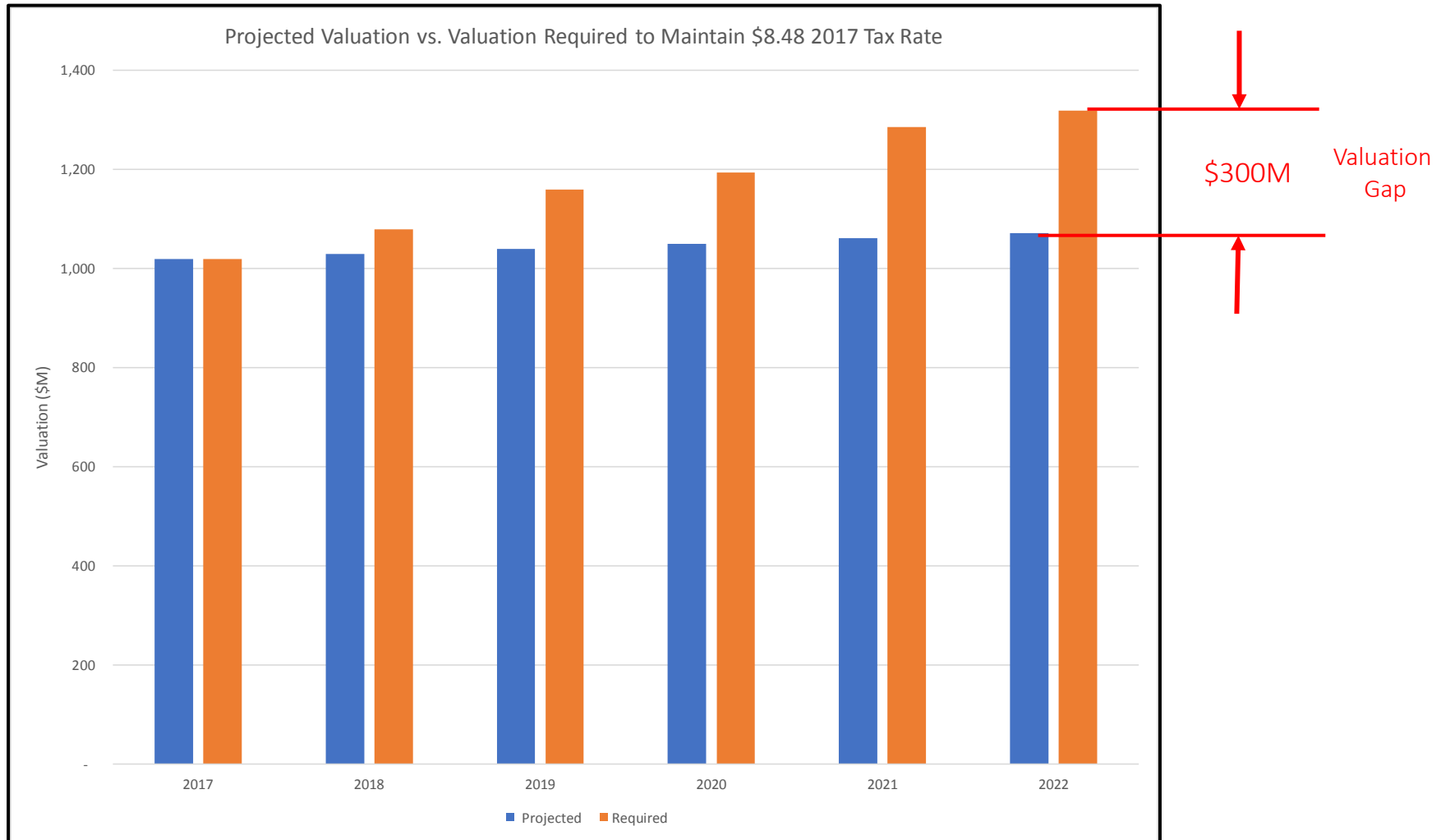


What recent development provided

These student housing projects added approximately
\$100 million additional assessment to the tax base

What's Next?

How Much Does the Tax Base Need to Grow



Focus on Key Opportunities

- Downtown Redevelopment
- UNH Research Business Park
- Goss Area for Light Industrial Development
- Local “cottage” businesses & Work-from-home

Potential Downtown Projects

Five Year Plan

The Plaza

The Hotel on Hetzel & Alexander

66 Main Street

Town & Campus – Peter Murphy

Middle Block Section (3 property owners)

Young Drive? Harmony Homes 2 more buildings?

Other properties yet to be identified

Mill Plaza



Hetzel
&
Alexander



66 Main
Street



Four
Downtown
Properties



Town
&
Campus



UNH
Innovation



Potential UNH Research Business Park

New Assessment Value needed			\$300,000,000 Estimated over the next FIVE years			
Potential Projects:			Current	Estimated New Val	Add to Tax Base	Running Total
Riverwoods		\$ 275,677.00	\$ 34,135,000.00	\$ 33,859,323.00	\$ 33,859,323.00	
Plaza		\$ 7,856,100.00	\$ 42,500,000.00	\$ 34,643,900.00	\$ 68,503,223.00	
Hotel at Hetzel/Alexander		\$ -	\$ 5,000,000.00	\$ 5,000,000.00	\$ 73,503,223.00	
66 Main Street		\$ -	\$ 7,500,000.00	\$ 7,500,000.00	\$ 81,003,223.00	
Town & Campus		\$ 1,701,100.00	\$ 3,000,000.00	\$ 1,298,900.00	\$ 82,302,123.00	
3 Property Owners		\$ 2,787,700.00	\$ 10,000,000.00	\$ 7,212,300.00	\$ 89,514,423.00	
Research Park					\$ 89,514,423.00	
Parcel 1		\$ -	\$ 2,500,000.00	\$ 2,500,000.00	\$ 92,014,423.00	
Parcel 2		\$ -	\$ 2,500,000.00	\$ 2,500,000.00	\$ 94,514,423.00	
Parcel 3		\$ -	\$ 2,500,000.00	\$ 2,500,000.00	\$ 97,014,423.00	
Parcel 4		\$ -	\$ 2,500,000.00	\$ 2,500,000.00	\$ 99,514,423.00	
Parcel 5		\$ -	\$ 2,500,000.00	\$ 2,500,000.00	\$ 102,014,423.00	

How Do We Achieve this?

- Develop a clear VISION of what we want and then...
- Make sure our zoning is tailored to attract WHAT we want.
- Positive encouragement for potential developers and current property owners. (Targeted use RSA 79E & TIF moneys - ERZ and BIZ, new Opportunity Zone, etc.)
- Through various strategies identify potential investors and make known to them what we want and what we will do to support that kind of project.

Challenges to Redevelopment

Projects must be **financially feasible** and attractive to investor and property owners

Parking may limit certain uses (such as office and residential)

Reaching **consensus with the community** on what is acceptable and desirable

Preliminary costs to obtain approvals may be prohibitive for some property owners

especially on single parcel properties – Can we help?

- Use TRG and planning department to help in that early stage thus saving time, money and frustration.
- Our Town Team must be positive about growth and development when working with property owners and their development teams.

Zoning Considerations & Downtown Redevelopment

What do we want?

What does it look like?

Where can it be placed?

For **Downtown redevelopment**, to be successful, the project will most likely need the following:

- Parking consideration
- Residential component
- Flexibility on second floor (commercial/office uses) depending on parking and pre-lease interest
- Possibly higher (four stories)

Suggestions about Residential

- Downtown redevelopment needs residential to make the project cost out, and to provide support for the downtown retail and service businesses
- Create a set of criteria that can be incorporated into the planning board approval with strategies to encourage adult occupancy (while not discriminating against anyone, including students)
- Allow extra incentives for senior (over 55) residential development (perhaps density, parking, RSA 79E, etc)

Need more \$

Even if ALL of these potential projects come to fruition we still fall short out goal of \$300 million.

Durham needs to look at other areas for potential economic development

- Agriculture? New methods of agriculture may lead to valuable commercial assets
- Other downtown properties in need of redevelopment - there are several
- Expand Goss into a larger business park (plan now for future development)
- Identify other new potential development locations and zone accordingly
- Expand downtown core and rezone further for commercial/office types of development
- Will it help Durham's school tax liability if we encourage other towns within the school district to grow their commercial base? If so, how can we actively do that?
- Other ideas?

2018 Statistical Update

- The 2017 net assessment in Durham was \$1,019,411,430.
- The median equalization ratio was 88% (meaning the assessments were approximately 88% of market value as of 4/1/2017).
- Hypothetically, if you added 12% to the net assessment, Durham could realize a \$122,329,372 increase in **assessed value** in 2018 as a result of the statistical update.
- If the town's budget stays the same, the tax rate should go down to compensate for the increase in assessed value.
- This is not NEW property being added to our total.

Other ED Objectives & Goals for 2018

Development & Support of alternative businesses

- Home Based Cottage Businesses
- Work-from-Home jobs

Potential Presentations:

Partner with SBA – Recognizing Durham in the Small Business Saturday program

Business Bootcamps for Startups:

- AARP Encore Entrepreneur
- SBA Small Business Veterans (and others)
- Women in Business – Center of Women & Enterprise
- Cottage Business and Downtown Retail Potential (Business panel program)

Other

- Facilitate Regional Manufacturing Networking event (at Goss Manufacturing Center) - to help UNH identify potential residents for their Research Business Park
- Continue to work with local Durham businesses and respond to their needs (take care of what we have)



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