



PLANNING DEPARTMENT

Town of Durham

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Planning Consultant's Review

Planning Board Meeting – Wednesday, April 29, 2020

- XI. **Public Hearing - Mill Plaza Redevelopment**, 7 Mill Road. *Discussion about fiscal impact study prepared by Mark Fougere, consultant.* Continued review of application for site plan and conditional use for mixed use redevelopment project and activity within the wetland and shoreland overlay districts. Colonial Durham Associates, property owner. Sean McCauley, agent. Joe Persechino, Tighe & Bond, engineer. Ari Pollack, attorney. (Rick Taintor is serving as the Town's Contract Planner.) Central Business District. Map 5, Lot 1-1.
- I recommend that the Board reopen the public hearing and vote to continue it to May 13, 2020, or another date certain.

Please note the following:

- 1) On April 15, 2020, the Planning Board opened the continued public hearing on the revised Site Plan for the Mill Plaza redevelopment project. The applicant's consultant, Emily Innes, presented proposed revisions to the landscaping plan to address certain site plan compliance issues that I had identified in my March 5 memo to the Board. She also described waivers and other discretionary modifications that the applicant was requesting to permit several proposed conditions that would continue to depart from the site plan standards. No action was taken by the Board on the revised landscaping plan or the waivers/modifications.

The public hearing was continued to April 29 to consider the applicant's fiscal impact analysis, with the expectation that the traffic impact report would be available in time for consideration at the May 13 meeting.

- 2) On April 3 the applicant submitted a Fiscal Impact Analysis report prepared by Fougere Planning & Development, Inc. The report considers impacts on Town government finances by comparing estimated increases in property tax revenues with increases in direct service costs that the Town is likely to incur as a result of the proposed residential and nonresidential development. Based on discussions with Town staff, the applicant's consultant determined that the only significant direct costs of the project would be those relating to increased demands on the police and fire departments. The analysis does not purport to consider any indirect fiscal impacts such as potential

changes in property values in the surrounding neighborhoods or elsewhere in the community, or economic impacts to existing businesses in the downtown.

Within this scope of analysis, I concur with the report's overall finding that the proposed redevelopment will have a positive impact on Town government finances. I have conveyed to the applicant's consultant a concern about one aspect of the methodology:

- In Table 8, page 14, the report compares the post-development gross tax revenue of \$1,012,858 (from Table 4, page 9) to the estimated marginal service cost increase (i.e., the net service cost) of \$96,036, resulting in a net positive impact of \$916,822. However, this gross tax revenue figure includes the existing revenue from Mill Plaza of \$224,419 (Table 4, bottom line). I believe that the analysis should compare marginal costs to marginal revenues, and therefore should use the net tax revenue of \$788,439 ($=\$1,012,858 - \$224,419$), resulting in a yearly positive impact of \$692,403.

As noted, with this correction the analysis still produces a positive estimated fiscal impact.

- 3) Residents have submitted letters and emails with comments on the fiscal impact analysis, including questions regarding its scope, methodology and data accuracy. I have shared all such correspondence with Mark Fougere, the applicant's fiscal impact consultant. I anticipate that Mr. Fougere will address many of these concerns in his presentation of the report.
- 4) In order to grant a conditional use permit, the Board must find that "The proposed use will not have a negative fiscal impact on the Town unless the Planning Board determines that there are other positive community impacts that off-set the negative fiscal aspects of the proposed use." [Zoning Ordinance, Sec. 175-23.C.8] If necessary, the Board may commission an independent fiscal impact analysis at the applicant's expense.

Respectfully submitted,

Rick Taintor, AICP
Community Planning Consultant
April 23, 2020