

# UNIVERSITY of NEW HAMPSHIRE

## *“Excellence in Outreach Scholarship”*

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### **1. PROJECT TITLE**

#### **The Redevelopment of the Mill Plaza**

### **2. PROJECT DESCRIPTION**

Many who live in the town of Durham would like to see retail located exclusively in the downtown area. Whether to foster sustainability or because of childhood memories when people walked around the center of a town rather than drive to a remote location, there is a great deal of interest in having a thriving downtown. The problem however, is that over the course of the last twenty years, many of those businesses that cater to the non-student population have shut their doors. Most recently, the hardware and copy stores, both having been in town for roughly thirty years, have recently closed.

The fundamental problem is that townspeople express the desire to have a thriving downtown where they can eat and shop, but the selection of businesses they are offered cater primarily to the student population housed at the university. Rather than focusing on why previous businesses were not supported by that same group that now laments at the lack of businesses in town, the question to be addressed here is whether or not it is possible to attract new businesses that will address the needs of the adult population in sufficient number that the downtown can once again become a destination for residents.

Recently, a great deal of interest has been generated surrounding the redevelopment of the Mill Plaza; an important strategic first step toward the revitalization of the downtown. The Mill Plaza is a shopping center adjacent to the eastern border of the University of New Hampshire. It was built about forty years ago and is showing its age. More importantly, the Town of Durham recently updated its zoning ordinances in a way that is designed to encourage more intensive development in the downtown area. As a result, the roughly 9.5 acres that incorporate the current Plaza site are seriously underutilized from a tax perspective and could support a greater increased density that would provide more retail and housing opportunities in the town. However, the question still remains whether or not a new plaza can attract the types of retailers that town residents will find to be desirable and will serve to form the critical mass necessary to attract other retailers to the broader downtown area.

### **3. BACKGROUND INFORMATION/STATEMENT OF THE ISSUES/PROBLEM**

The redevelopment of the Plaza began almost two years ago when the owner expressed an interest in redeveloping the property. At that time, the owner of the property asked that the town to share with him its vision of a redeveloped Plaza. The Town Council formed a

citizen committee to bring forward ideas that could be shared with the owner of the property. Shortly after the committee was formed, the Town applied for and received a grant from the AIA (American Institute of Architects) as part of their 150 year anniversary. The AIA committed to raise \$100,000 in cash and professional time to assist the committee in formulating a vision for the property that could be presented to the owner. At the time, the AIA was committed to developing a process that could be used as a model for future commercial development throughout the State of New Hampshire.

Unfortunately, the model developed by the AIA has not worked effectively to carry out the goal of developing a project that would be acceptable to both the community and the property owner. The concepts developed by the AIA/Durham Committee have not been economically feasible nor do they come even close to maximizing the economic value for both the owner and the Town of Durham. As the role of the AIA/Durham committee has come to an end, the owner of the property is still intent on the redevelopment of the property. The Town of Durham needs help in understanding the underlying financial considerations that will be driving the project forward. Furthermore, the Town could use assistance in developing and understanding the various tax and other incentives that will have to be offered if the project is to go forward in a way that not only maximizes profits for the owner, but also creates the greatest public good.

#### **4. PROJECT DETAILS**

The goal and objective of this project is to see the successful redevelopment of the Plaza in a way that benefits the citizens of Durham beyond the projected tax benefits that a more intensive use of the land will create. Project success will be measured in terms of whether or not the Plaza is actually redeveloped, and to what extent public benefits (in addition to economic ones) can be realized through the negotiation process.

Having earned the trust and the confidence of the property owner, my role will be to work with the Town Administrator to obtain the best deal possible for the citizens of the town. I will be intensely involved in the conceptualization of a plan, the calculation of the public and private benefits associated with the redevelopment, and the creation of the requisite financing plan that will be required in order to bring the project to fruition

The fundamental research question is whether or not the creation of a new anchor for the downtown will be sufficient to initiate a broader redevelopment effort that will encompass the entire downtown. In other words, can a downtown be developed following the same principles as a shopping mall where a central location anchored by a few tenants who possess a great deal of shopping appeal create the same types of spillover affects that lead to the creation of a diverse shopping experience?

This entire project leads to a number of interesting research questions. For example, will the recent legislation passed in Concord that enables municipalities to provide tax relief for downtown revitalization become an important economic incentive that motivates property owners to redevelop their properties? In addition to some form of tax relief, will the town need to create a Tax Increment Financing (TIF) District to finance needed public infrastructure improvements. If so, what are some of the lessons that might be learned from the experience? Will the concept of a retail anchor lead to the successful redevelopment of an entire town just as it has been important to the development of a successful shopping mall? Can a town center concept be financially viable alternative to the more traditional strip mall? If the AIA approach to the redevelopment of the Plaza is

not the best way to proceed with the planning process, are there lessons that have been learned that can lead to the formation of a different approach?

## **5. EVALUATION PLAN**

From the town's perspective, whether or not the project was a success will depend upon whether or not the Plaza becomes redeveloped and the magnitude of the corresponding social and economic benefits that are generated for the citizens of the town. From my perspective as an outreach scholar, the achievement of various milestones within the overall project will provide fruitful material for my subsequent publication efforts. These milestones include:

- Reaching an accord with the property owner on a plan that can be brought forward for public discussion.
- The discussion at the Council level and subsequent approval of a financial incentive package for the redevelopment project.
- Depending on the incentive package, possible approval of a bond by the voters in order to finance a portion of the project.
- Discussion and approval at the Planning Board stage of the process.
- Construction and completion of the project.

The achievement of each of these milestones will provide useful data about the process. Even if the project never reaches completion, the information collected and the insights gained from being an active part of the process should make it possible to generate enough material to form the basis for writing various articles that will be published in the appropriate research journals.