



July 31, 2014

J. Michael Joyal, City Manager
City of Dover
288 Central Avenue
Dover, NH 03820

Re: Dover Landing

Dear Mike,

To confirm our recent conversations, Dickinson Development will not be able to comply with the terms of the Land Disposition Agreement and will not be able to purchase the Dover Landing property pursuant to the LDA.

After many years of trying I'm disappointed in this result, but, as we discussed last month, it is time to move on. The recession which began in 2007 and 2008 dramatically changed the real estate and financial landscape for many people and projects. Our original condominium concept had to be shelved. When we finally were able to revisit the development in 2011 and 2012, the market had shifted to apartments, so we also shifted gears to an apartment focused development.

Market adjustments certainly resulted in lower for sale/ownership prices. Our research did not evidence any significant rise in rents that could be charged for apartments, especially in Dover. Projected site development and apartment construction costs did, however, continue to escalate. Wanting to honor the LDA's terms, we never sought a price adjustment notwithstanding these market changes.

To project rates of return necessary to attract the interest of the many investors/development partners with whom we met, it became clear that we would need to set rents equivalent to some of the highest now charged in Portsmouth. Though achievable in Portsmouth, such rents have never before been tested or reached in Dover, so the investment community balked on underwriting the project, as did the particular investors/developers with whom we met and introduced to you. Had we projected lower rents, more in line with current market rates around Dover, the project's rate of return would not have generated investor interest. Each and every investor/developer says the same thing about what a nice site the river front is, and what a nice community Dover is, but the economics fail to work.

I really wish I had been able to finish the job here. I certainly tried. My assistant told me recently "Try never was beat," but, unfortunately, my trying has not resulted in the waterfront Dover hoped for and certainly deserves. I wish you the best of luck going forward.

Sincerely,



Mark Dickinson

MCD:sjsm

Cc: Allan B. Krans, Executive Director, Dover Housing Authority
Jack Mettee, Chairman, CWDAC
Jack Buckley
Chris Wyskiel