



**ECONOMIC DEVELOPMENT COMMITTEE
PUBLIC MEETING MINUTES
WEDNESDAY, JULY 17, 2019**

The meeting of the Economic Development Committee (EDC) was called to order by Chair Steven Whitley on Wednesday, July 17, 2019, at 6:00 p.m. in the Philip S. Dunlap Room at the Town Hall.

Members Present: Byron Carr, Tom Congoran, Andrea Folsom, Jim Fredyma, Erik Newman, Anna Wells, Steven Whitley

Members Absent: Steve Lux, Jr.

Staff Present: Neal Cass-Town Administrator

Others Present: Bridgett Beckwith (Tax Incentive Program Manager), Mike Tardiff (Central NH Regional Planning Commission)

Approval of Minutes

The Board reviewed the minutes of the June 20, 2019 meeting. Ms. Wells made a motion, seconded by Mr. Congoran, to approve the Economic Development Committee Meeting Minutes of June 20, 2019. Mr. Whitley called for the vote.

VOTE: Carr, Congoran, Folsom, Fredyma, Newman, Wells, and Whitley voting in favor of the motion; no votes against; MOTION APPROVED 7-0.

Bridgett Beckwith, Tax Incentive Program Manager, State of New Hampshire

Ms. Beckwith shared packets of information about the NH Economic Development Economic Revitalization Zone (ERZ) Program. She walked the committee through a PowerPoint presentation (attached) with detailed information on the program. She highlighted the following information:

- There is no downside to putting this program in place.
- The program is implemented by a vote of the Select Board.
- Expenditures can be on capital investments as well as on property.
- It is OK to have a few residential properties within the ERZ provided that the area is zoned commercial.
- February 10 is the application deadline.
- Businesses interested should contact the town to receive a copy of the letter from Ms. Beckwith that is received by the town when the zone is approved. This is how the town will know which businesses are interested in applying.
- Ms. Beckwith will help with marketing the program as needed
 - Some towns send out mailers
 - Business owners could be invited to a meeting to learn about the program
 - The zones could be signed.
- When applying, the town should provide pictures or some evidence of the vacancy of the property.
- Determining where the zones are located is very important.
- There is no limitation on how many zones are created in town.

- 43 businesses applied for this program for 2018.
- It is realistic to have the program in place this year.
- Mixed use properties do qualify for the program.
- Basically, if a property is not residential, it will qualify.
- The State of NH allocates \$825,000 per year and this past year there were applications for \$1.5 million. There is a prorated distribution of funds.
- Reauthorization of this program by the Legislature will be required in 2020 in order for the program to continue.

Mr. Tardiff volunteered to bring large maps to the next meeting for the committee to determine where ERZs should be established.

The Committee decided it wants to move forward with establishing ERZs and invited Mr. Tardiff back to the next meeting with maps. Initial thought is to start with the two TIF Districts, the 79E area and the West Hopkinton area.

Complete Streets

Ms. Wells let Mr. Tariff know that the town is about to move forward with establishing a Complete Streets committee. Mr. Tardiff suggested she contact Craig Tufts at CNHRPC for assistance.

MTAG Update

Mr. Whitley informed the EDC that because of a schedule mix-up, the consultant was not at the meeting. The thought at this point is to add the areas being reviewed to the B-1 district and to update the uses allowed in that district.

TIF Districts Update

EDC members were given copies of the document approved by the Select Board establishing the Exit 6 TIF Advisory Board. Several potential members are being contacted.

Strategic Plan for Economic Development

Mr. Carr said he would like to see the Town spend more money on development and create public/private partnerships. Mr. Whitley encouraged all to give input during the budget process this fall.

Other

There was discussion of further support for the businesses in Contoocook Village including having signs on the highway and promoting the historic sites and railroad bridge. Mr. Newman will do some research to see what would be allowed.

An update was given on the land swap with the State and development in the Hart's Corner TIF District

Next Meeting: Thursday, August 15, 2019, 6:00 p.m. – Town Hall

Mr. Newman moved that the meeting be adjourned. Mr. Whitley seconded the motion. All voted in favor and the meeting adjourned at 7:25 p.m.

Respectfully submitted,
Neal Cass, Town Administrator



New Hampshire
Economic Development

**Economic Revitalization Zone (ERZ)
Program**

What is an ERZ?

- Purpose: to stimulate economic redevelopment, expand the commercial and industrial base, create new jobs, reduce sprawl and increase tax revenues by encouraging economic revitalization.
- Business tax credits for projects that improve infrastructure and create jobs in designated areas. (See RSA 162-N)

Economic Revitalization Zone (ERZ) Program

- One of the most important tools for statewide recruitment and business retention is the ERZ.
- Provides \$825,000 for tax credits to help recruit and retain businesses and employees.
- An applicant may be eligible for up to \$240,000 in tax credits for a project, (40,000 limit per year over 6 yrs.).
- Tax Credits are awarded to qualifying applicants with a prorated distribution.

ERZ Benefits

- Designates areas to promote investment, recruitment and job creation.
- Helps the tax base by creating an incentive for a business to invest in and grow its business and to improve its commercial and/or industrial property.
- Creates new jobs which helps to foster growth of the economic activity in the area.
- The incentive increases as the wage levels increase.

Definition of an ERZ

- Unused or underutilized industrial park.
- Vacant land or structure(s) previously used for industrial, commercial or retail purposes but currently not so used (including vacant space in a multi-tenant property).

What is the process?

- ER Zones must be established/decided on by a town or municipality.
- Applications must be submitted by the town with all required documentation to support criteria has been met.
- Once approved, businesses may apply for tax credits based on projects in these designated areas.

ERZ Community Overview

- A community must apply to DBEA for designation of a proposed ERZ area.
- Currently, there 70 towns and 218 designated zones.
- There is no economic cost or tax burden to a community for implementing an ERZ.
- ERZs will be reviewed every five years for eligibility.

ERZ Business Overview

Eligible Projects = Investment + Job Creation

- New construction, renovation, or expansion
- Existing vacant building or multi-tenant space
- New equipment
- Existing businesses in the ERZ
- Must have new, incremental FT job creation (at least 35 hours/week and is a permanent, year-round position)

How to use the tax credit

- The ERZ Tax Credit is applied against the NH Business Profits Tax.
- Unused portions may be applied under the NH Business Enterprise Tax.
- The maximum tax credit per project is \$240,000 and may be maxed out at \$40,000 per year.
- Unused portions of the credit in excess of \$40,000 may be carried forward for an additional 5 years.
- Application deadline for the ERZ credit is February 10 following the applicant's tax year.

Example: How to use the credit

A company receives a \$100,000 ERZ tax credit for tax year 2019: The company can use up to \$40,000 for tax year 2019, and then carry forward \$60,000. Here's an example of how to use the carry forward:

- \$40,000 for tax year 2019
- \$10,000 for tax year 2020
- \$5,000 for tax year 2021
- \$5,000 for tax year 2022

How to calculate part 1 of the tax credit

Either 4, 5, or 6 percent of the yearly wages for every full-time position:

- 4% for wages up to 1.75 times the minimum wage (jobs that pay less than or equal to \$12.69/hr.)
- 5% for wages between 1.75 times and 2.5 times the minimum wage (jobs that pay more than \$12.69/hr. and less than or equal to \$18.13/hr.)
- 6% for wages greater than 2.5 times the minimum wage. (jobs that pay more than \$18.13/hr.)

How to calculate part 2 of tax credit

- 4 Percent of whatever is lower of the following:
 - The actual cost incurred in the fiscal year of creating or renovating a facility and expenditures
 - or:
 - \$20,000 for each new job created in the fiscal year

Example of ERZ Tax Credit Calculation

- A company leases space and hires 5 new employees in 2019 all at \$24.00 per hour (approximately \$50,000 per year). The company spends \$80,000 in renovations and new equipment.
- Part I
 - \$50,000 X 6% = \$3,000 X 5 New Jobs = \$15,000
- Part II
 - 4% of the lesser of the following:
 - \$20,000 X 5 = \$100,000 X 4% = \$4,000
 - or \$80,000 X 4% = \$3,200
- Total Credit = \$18,200





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