



CITY OF FRANKLIN, NEW HAMPSHIRE
"The Three Rivers City"

Planning and Zoning Department
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To Whom It May Concern

From: Richard Lewis, Director of Planning and Zoning
Date: July 1, 2016
Re: Economic Revitalization Zone Tax Credit Program

In the spring of 2009, the City of Franklin applied to the NH Department of Resources and Economic Development [DRED] for the creation of an Economic Revitalization Tax Credit Zone. The application was approved in 2009, and it was renewed in 2016. This zone incorporates the industrial zoned land located off of South Main Street.

The tax credit program provides for Business Profit Tax credits or Business Enterprise Tax credits for companies that meet certain requirements. The program can help businesses grow and create new jobs that benefit the City as a whole.

Attached is a package of materials that provides background on the programs and explains how it might work for your firm:

1. The listing of the properties approved by the City Council in 2009 for inclusion into the Tax Credit Zone.
2. The March 15, 2016 renewal from DRED Commissioner Jeffrey Rose.
3. The state statute, RSA 162-N, describing the program.
4. A package of materials from DRED, including a fact sheet and the application package itself.

If you have specific questions on the eligibility or application process, it might be best to contact DRED at 271-2591. You can also go to their website at: <http://www.nheconomy.com> to explore more about this program or other programs that might benefit your firm. Please note that this contact information and all of the attached materials are good as of the date of this memo. You can check the website to confirm or update any of this information.

Thank you for your interest and investment in the City of Franklin. We look forward to working with you!

**Attachment 3- Property Listing
City of Franklin
Municipal Designation Application
Economic Revitalization Zone Tax Credit**

ID #	Map/Lot #	Property Address	2009 Value	Land Area (acres)	Notes
1.	082-009-02	109 Industrial Park Drive	\$1,457,100.00	10.120	Freudenberg- NOK
2.	082-408-00	Salisbury Road	\$97,400.00	36.591	Vacant Land
3.	082-408-01	Industrial Park Drive/ Commerce Dr	\$87,300.00	3.620	Vacant Land
4.	084-401-00	Punch Brook Road	\$49,400.00	14.420	Vacant Land
5.	100-410-00	10 Salisbury Road	\$377,600.00	7.960	Beck and Belucci
6.	101-001-00	35 Industrial Park Drive	\$1,485,900.00	13.260	Wyman Gordon Investments
7.	101-002-00	585 South Main Street	\$1,020,100.00	14.828	Watts Regulatory- Webster Valve
8.	101-003-00	583 South Main Street	\$3,924,700.00	18.110	Watts Regulatory- Webster Valve
9.	101-004-00	31 Mullavey Way	\$122,100.00	2.473	Single Family Home
10.	101-005-00	23 Mullavey Way	\$123,500.00	0.688	Single Family Home
11.	101-008-00	43 Industrial Park Drive	\$2,357,700.00	26.000	VEC Acquisitions, LLC
12.	101-009-00	55 Industrial Park Drive	\$279,200.00	2.150	Industrial Building- Industrial Park Investments
13.	101-009-02	67 Industrial Park Drive	\$188,700.00	1.130	Industrial Building
14.	101-009-03	70 Industrial Park Drive	\$100.00	2.590	Condo Association (See Lots 04-10 below)
15.	101-009-04	70 Industrial Park Drive, Unit 1	\$133,000.00		Industrial Condo Unit
16.	101-009-05	70 Industrial Park Drive, Unit 2	\$113,300.00		Industrial Condo Unit
17.	101-009-06	70 Industrial Park Drive, Unit 3	\$113,300.00		Industrial Condo Unit
18.	101-009-07	70 Industrial Park Drive, Unit 4	\$110,800.00		Industrial Condo Unit
19.	101-009-08	70 Industrial Park Drive, Unit 5	\$110,900.00		Industrial Condo Unit
20.	101-009-09	70 Industrial Park Drive, Unit 6	\$99,100.00		Industrial Condo Unit
21.	101-009-10	70 Industrial Park Drive, Unit 7	\$137,200.00		Industrial Condo Unit
22.	101-401-00	20 Industrial Park Drive	\$961,800.00	5.740	Watts Regulatory- Webster Valve
23.	101-402-00	599 South Main Street	\$446,100.00	2.363	Motor Vehicle business and House
24.	101-402-01	19 Mullavey Way	\$105,300.00	2.338	Single Family Home
25.	101-404-00	40 Industrial Park Drive	\$2,117,400.00	7.510	Polyclad

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Economic Revitalization Zone Tax Credit**

ID #	Map/Lot #	Property Address	2009 Value	Land Area (acres)	Notes
26.	102-001-00	761 South Main Street	\$175,100.00	1.520	Single Family Home
27.	102-002-00	745 South Main Street	\$158,000.00	0.940	Single Family Home
28.	102-003-00	735 South Main Street	\$115,000.00	2.560	Single Family Home
29.	102-004-00	South Main Street	\$44,100.00	0.640	Vacant Land
30.	102-005-00	709 South Main Street	\$148,700.00	1.300	SF Man. Home
31.	102-006-00	705 South Main Street	\$203,900.00	1.450	Single Family Home
32.	102-007-00	683-685 South Main Street	\$222,000.00	1.760	Two-family Home
33.	102-008-00	673 South Main Street	\$192,400.00	1.310	Two houses on one lot
34.	102-009-00	South Main Street	\$84,700.00	24.860	Vacant Land
35.	102-010-00	665 South Main Street	\$226,900.00	6.630	Single Family Home
36.	102-011-00	635 South Main Street	\$309,400.00	5.050	Public Works Supply Building
37.	102-012-00	605 South Main Street	\$147,600.00	2.282	Single Family Home
38.	102-402-00	Industrial Park Drive	\$106,400.00	30.530	Vacant Land- Polyclad
39.	102-403-00	Commerce Drive	\$209,300.00	7.060	Vacant Land
40.	102-403-01	Industrial Park Drive/ Commerce Dr	\$85,300.00	3.176	Vacant Land
41.	102-403-02	25 Commerce Drive	\$244,800.00	2.390	YDC Precision Machines
42.	102-403-03	Commerce Drive	\$125,200.00	3.131	Vacant Land
43.	103-005-00	791 South Main Street	\$111,300.00	2.810	Cooper M/c Repair
44.	103-006-00	2 Punch Brook Road	\$200,000.00	13.660	Single Family Home
45.	103-405-00	34 Punch Brook Road	\$171,400.00	18.410	RD Edmunds Gravel Pit
45.	103-406-00	Punch Brook Road	\$180,400.00	17.680	Edmunds- Vacant Land (Gravel Pit)



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION OF ECONOMIC DEVELOPMENT

172 Pembroke Road Concord, New Hampshire 03301
Phone: 603-271-2341 www.nheconomy.com

March 15, 2016

Mr. Richard Lewis
Director of Planning, Zoning & Special Projects
City of Franklin, NH
316 Central Street
Franklin, NH 03235

Dear Mr. Lewis:

This letter and the attached ERZ Renewal/Certification form constitute the approval for the City of Franklin's continuation of the following area as an Economic Revitalization Zone:

- 1) Franklin Industrial Park (approved 6/09, renewed 3/16)

It is my hope that this designation will continue to allow for increased business investment and job creation in this area of the City of Franklin.

If you have any questions regarding this economic development program, please feel free to contact me or Bridgett Beckwith in the Division of Economic Development at 603-271-2591.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey J. Rose".

Jeffrey J. Rose
Commissioner

TITLE XII
PUBLIC SAFETY AND WELFARE
CHAPTER 162-N
ECONOMIC REVITALIZATION ZONE TAX CREDITS

Section 162-N:1

[RSA 162-N:1 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:1 Definitions. –

In this chapter:

I. "Economic revitalization zone" means a zone designated by the commissioner of resources and economic development as an economic revitalization zone in accordance with the provisions of this chapter.

II. "Full-time job" means a job that is at least 35 hours per week and is a permanent, year-round position.

Source. 2003, 301:2. 2007, 263:120, eff. July 1, 2007. 2015, 265:8, eff. July 1, 2015.

Section 162-N:2

[RSA 162-N:2 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:2 Designation of Economic Revitalization Zone. –

I. "Economic revitalization zone" means a zone with a single continuous boundary, designated in accordance with the rules adopted under RSA 162-N:8, and having at least one of the following characteristics:

(a) Unused or underutilized industrial parks; or

(b) Vacant land or structures previously used for industrial, commercial, or retail purposes but currently not so used due to demolition, age, obsolescence, deterioration, brownfields, relocation of the former occupant's operations, or cessation of operation resulting from unfavorable economic conditions either generally or in a specific economic sector.

II. Economic revitalization zones shall be designated by the commissioner of resources and economic development only upon petition by the local governing body, as defined by RSA 672:6, or the town council. The commissioner of resources and economic development shall certify that the economic revitalization zone meets the criteria required in paragraph I.

Source. 2003, 301:2. 2007, 263:120. 2010, 311:2, eff. July 13, 2010. 2015, 265:1, eff. July 1, 2015.

Section 162-N:2-a

[RSA 162-N:2-a repealed by 2015, 265:7, effective July 1, 2020.]

162-N:2-a Reevaluation of Economic Revitalization Zone. –

Each economic revitalization zone shall be evaluated every 5 years to determine if it meets the criteria required in RSA 162-N:2. If an economic revitalization zone fails to meet the criteria in RSA 162-N:2, its designation as an economic revitalization zone shall be removed.

Source. 2015, 265:2, eff. July 1, 2015.

Section 162-N:3

[RSA 162-N:3 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:3 Eligibility Requirements for Business Tax Credits. –

No economic revitalization zone tax credits shall be allowed to any taxpayer unless the taxpayer's project receives written certification in accordance with RSA 162-N:4, I from the commissioner of resources and economic development that it will expand the commercial or industrial base in a designated economic revitalization zone and will create new jobs in the state.

Source. 2003, 301:2. 2007, 263:120, eff. July 1, 2007. 2015, 265:3, eff. July 1, 2015.

Section 162-N:4

[RSA 162-N:4 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:4 Economic Revitalization Zone Tax Credit Agreement. –

I. The commissioner of resources and economic development shall enter into a written economic revitalization zone tax credit agreement with each taxpayer; such agreement to be certified by the commissioner of resources and economic development under this section. The agreement shall contain such provisions as the commissioner of resources and economic development determines to be in the public interest, which shall include, but not be limited to:

- (a) Quality and quantity of full-time jobs to be created.
- (b) Duration of the taxpayer's commitments with respect to the economic revitalization zone.
- (c) The amount of the taxpayer's investment in the project.
- (d) A precise definition of the location of the facility eligible for the credit.

(e) The maximum amount of the economic revitalization zone tax credit that will be allowed to the business under this agreement for jobs created and for construction or reconstruction expenses.

II. The agreement shall contain a determination of the final amount of the credit awarded and shall be provided to the commissioner of revenue administration and the taxpayer claiming the credit no later than March 10 of each year.

Source. 2003, 301:2. 2007, 263:120. 2010, 311:3, eff. July 13, 2010. 2015, 265:4, eff. July 1, 2015.

Section 162-N:5

[RSA 162-N:5 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:5 Limit on Total Economic Revitalization Zone Credits. –

The aggregate of tax credits issued by the commissioner of resources and economic development to all taxpayers claiming the credit shall not exceed \$825,000 for any calendar year, except that any amount of the credit less than \$825,000 that is not claimed in the calendar year may be issued in the

next calendar year and in following years. Amounts carried forward pursuant to RSA 162-N:7 shall not be counted against this limit in any year in which they are applied. Notwithstanding RSA 162-N:6, the maximum credit which may be utilized by a taxpayer in any calendar year shall not exceed \$40,000. In the case in which the aggregate credits requested during the calendar year exceed the amount available, each taxpayer shall receive a credit for the proportional share of the maximum aggregate credit amount.

Source. 2003, 301:2. 2007, 263:120. 2008, 58:1. 2010, 311:4, eff. July 13, 2010. 2014, 139:2, eff. Aug. 15, 2014.

Section 162-N:6

[RSA 162-N:6 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:6 Determination of Economic Revitalization Zone Tax Credits Eligible Amount. –

For the purpose of determining the economic revitalization zone tax credit that the taxpayer is eligible to receive, the amount of the credit to be taken shall be the lesser of the following:

I. The maximum amount of the economic revitalization zone tax credit as stated in the agreement as specified by RSA 162-N:4, I(e); or

II. The sum of the following:

(a) 4 percent of the salary for each new full-time job created in the calendar year with a wage less than or equal to 1.75 times the then current state minimum wage.

(b) 5 percent of the salary for each new full-time job created in the calendar year with a wage greater than 1.75 times the then current state minimum wage and less than or equal to 2.5 times the then current state minimum wage.

(c) 6 percent of the salary for each new full-time job created in the calendar year with a wage greater than 2.5 times the then current state minimum wage.

(d) 4 percent of the lesser of the following:

(1) The actual cost incurred in the calendar year of creating a new facility or renovating an existing facility, and expenditures for machinery, equipment, or other materials, except inventory.

(2) \$20,000 for each new full-time job created in the calendar year.

Source. 2003, 301:2. 2007, 263:120. 2010, 311:5, eff. July 13, 2010. 2015, 265:5, eff. July 1, 2015.

Section 162-N:7

[RSA 162-N:7 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:7 Application of Economic Revitalization Zone Tax Credit. –

The economic revitalization zone tax credit shall be applied against the business profits tax under RSA 77-A, and any unused portion thereof may be applied against the business enterprise tax under RSA 77-E. Any unused portion of the credit allowed under this chapter or any eligible credit in excess of \$40,000 allowed under this chapter, may be carried forward and allowed against taxes due under RSA 77-A or RSA 77-E for 5 taxable periods from the taxable period in which the tax was paid. For the purpose of the credit allowed under RSA 77-A:5, X, the economic revitalization zone credit shall be considered taxes paid under RSA 77-E.

Source. 2003, 301:2. 2007, 263:120. 2008, 58:2, eff. July 1, 2008.

Section 162-N:8

[RSA 162-N:8 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:8 Rules. –

The commissioner of revenue administration shall adopt rules, under RSA 541-A, relative to documentation of the credits claimed under this chapter. The commissioner of resources and economic development shall, in consultation with the executive director of the community development finance authority, adopt rules, under RSA 541-A, relative to the administration and implementation of this chapter. The rules adopted by the commissioner of resources and economic development shall include provisions relative to:

- I. Establishment and certification of economic revitalization zones.
- II. Criteria for and approval of projects in economic revitalization zones, including jobs per dollar thresholds.
- III. Fees which the commissioner of resources and economic development may charge to each applicant to cover the reasonable costs of the state's administration of the applicant's participation in the economic revitalization zone tax credit program.
- IV. Criteria for evaluation of the effectiveness of the tax credit program and whether existing economic revitalization zones continue to meet the criteria of RSA 162-N:2.

Source. 2003, 301:2. 2007, 263:120, eff. July 1, 2007. 2015, 265:6, eff. July 1, 2015.

Section 162-N:9

[RSA 162-N:9 repealed by 2007, 263:123, I, effective July 1, 2020.]

162-N:9 Reports. –

The commissioner of resources and economic development shall file an annual report 60 days after the close of each fiscal year with the governor, the senate president, the speaker of the house of representatives, and the fiscal committee of the general court. The report shall describe the results of the economic revitalization zone tax credit program and shall include any recommendations for further legislation regarding the economic revitalization zone tax credit program.

Source. 2003, 301:2. 2007, 263:120. 2012, 247:19, eff. Aug. 17, 2012.

ERZ FAQs for Businesses



What is the ERZ Program?

ERZ stands for Economic Revitalization Zone. The ERZ tax credit program, which is detailed in RSA 162-N, offers a short term business tax credit for projects that improve infrastructure and create jobs in designated areas of a municipality.

Why were ERZs established?

The ERZs were established to stimulate economic redevelopment, expand the commercial and industrial base, create new jobs, reduce sprawl, and increase tax revenues within the state by encouraging economic revitalization in designated areas.

How is an ERZ defined?

An Economic Revitalization Zone means a zone with a single continuous boundary, designated in accordance with RSA 162-N:8, and having at least one of the following characteristics:

(a) Unused or underutilized industrial parks; or

(b) Vacant land or structures previously used for industrial, commercial, or retail purposes but currently not so used due to demolition, relocation of the former occupant's operations, age, obsolescence, deterioration, brownfields, or cessation of operation resulting from unfavorable economic conditions either generally or in a specific economic sector.

A community must request that a site or contiguous area be designated as an ERZ by DRED. Each ERZ is evaluated every five years to assess whether the designation is still eligible.

How much is available in tax credits?

The State of New Hampshire has designated \$825,000 statewide, per year, to be made available for ERZ tax credits.

How long will this initiative be in place?

This program will be in place until 2020, or until the State law governing ERZs is repealed or amended.

How does a business qualify?

For a business to qualify for an ERZ tax credit, it must create a least one (1) new job in the state and meet the following criteria:

- The business must be physically located in an approved ERZ;
- Investment in plant or equipment must be made directly by the business applying for the ERZ tax credit;
- Jobs created must be full time, direct employees, and not be contracted or 'temp' jobs;
- The investment and the job creation must take place within one calendar year.

What is the process for a business to apply for an ERZ tax credit?

To apply for the tax credits you must fill out form ERZ-2 available from the Department of Resources and Economic Development's [website](#).

The deadline to apply is Feb. 10 of the year following the applicant's tax year.

How is the credit calculated?

The credit is based on a percent of the salary for each new full time job created and the lesser of: either a percent of the actual cost incurred for the project or a maximum credit for each new job created in the fiscal year.

What is considered a full time job?

A full time job is at least 35 hours per week and is a permanent, year-round position.

How is the credit applied to my tax liability?

The tax credits shall be available to the taxpayer only for tax liabilities arising during tax periods including the tax period for which the tax credit is applied, up to an additional five (5) consecutive tax periods following the date of certification by the DRED commissioner.

The maximum amount of tax credit is \$240,000 per application, and the maximum applied per year by a taxpayer is limited to \$40,000.

Who do I call with additional questions?

Contact the Division of Economic Development at (603) 271-2591.

New Hampshire Division of Economic Development Economic Revitalization Zone Tax Credits (Res 2500)

TAX CREDIT CERTIFICATION ~ FORM ERZ-2 *for* BUSINESS APPLICANTS

Complete and mail by Feb. 10 following the applicant's tax year to:

NH Division of Economic Development
ERZ Program Administrator
172 Pembroke Rd.
Concord, NH 03301

Follow the instructions given in each section and TYPE all information.
Provide an original, signed, and completed application, including all attachments. *Electronic applications are not accepted.*

SECTION A – INFORMATION

Taxpayer/Business Name: _____ Telephone: _____

Mailing Address: Street/PO Box: _____

City/Town/State/Zip code: _____

Contact: _____ Email address: _____

Type of Business: _____ Taxpayer's Filing Period: _____

ERZ Tax Credit Eligibility:

1. Provide street address or tax map/lot of the business within the ERZ:
2. Provide a copy of the ERZ tax credit designation letter of certification issued to the city or town by the Department of Resources and Economic Development.

ERZ Project Description:

3. Describe in detail the project and actual investment costs, including copies of cost invoices, etc. Include a separate page and copies of documents as necessary.
4. Duration of the project: Start date: _____ Completion date: _____

SECTION C – DOCUMENT CHECKLIST

Instructions: Attach copies of the following with your application.

Checklist:

_____ Documentation indicating detailed actual investment in the project (not estimated) in the calendar year.

_____ Copy of the ERZ tax credit designation letter of certification issued to the local city or town by the Department of Resources and Economic Development.

SECTION D – PROJECT GUARANTEE/SIGNATURES

Instructions: Taxpayer must initial acceptance of the following guarantee.

It shall be the responsibility of the Taxpayer to guarantee that all elements of the project are completed. Failure to complete a project shall result in the Taxpayer's forfeiture of remaining credits (Res 2506.1).

_____ (INITIALS)

Taxpayer Signature: _____ Date _____

Type/Print Name: _____ Title _____

~Office Use Only~

APPROVAL:

Jeffrey J. Rose, Commissioner

Date

Department of Resources of Economic Development