

# Planning Lunches at Noon (PLAN) Monthly Webinar Services

Welcome to the PLAN Monthly Webinar Series!  
The webinar will begin shortly.

Check out our Planning and Zoning Training website page for:

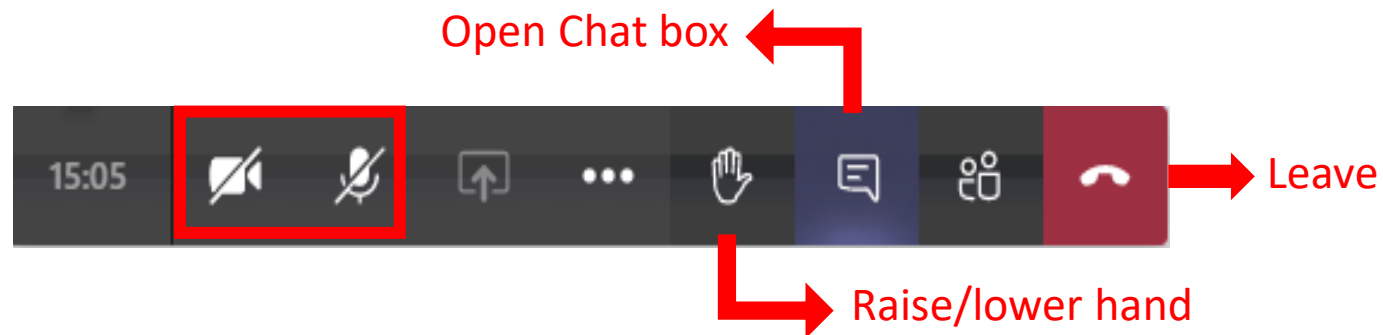
- Slides and recording of all completed webinars in the PLAN series
- Schedule for upcoming webinars
- A short, anonymous online survey to gather feedback and topics for future webinars

[www.nh.gov/osi/planning/planning-training.htm](http://www.nh.gov/osi/planning/planning-training.htm)

# Webinar Logistics

Presentation then Question and Answer session

- ▶ Type questions into Chat box
- ▶ Raise hand
- ▶ We will be **recording** the presentation portion of this webinar.



# ECONOMIC REVITALIZATION ZONE (ERZ) PROGRAM

# Agenda

- **Bridgett Beckwith**, Tax Incentive Program Manager at the Department of Business and Economic Affairs (BEA) will provide an overview of the ERZ program, its purpose, how ERZs are established, and who can utilize the zones along with a quick explanation of how the credit is calculated.
- **Kevin Peterson**, Director of Economic Development at the Community Development Finance Authority (CDFA)
- **David Justice**, NH GRANIT Project Director, Earth Systems Research Center, University of New Hampshire (UNH)
- **Samantha Simpson**, a Fellowship Intern at the University of New Hampshire (UNH) and student of the Environmental Conservation and Sustainability program

Kevin, David, and Samantha will discuss the partnership between BEA, CDFa and UNH, the effort to digitize the ERZ maps and making them available as an economic development tool for other partners, and the goal and process of defining and establishing criteria for downtowns/villages, which CDFa plans to utilize in their programs.

- Question & Answer Session

# ECONOMIC REVITALIZATION ZONE (ERZ) PROGRAM



# What is an ERZ?

- For the Purposes of this program an ERZ is an Economic Revitalization Zone; a chosen or designated area.
- 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 to establish a zone?

- ER Zones must be established/decided on by a town or municipality.
- Zone Applications must be submitted to BEA 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 BEA for designation of a proposed ERZ area.
- Currently, there 76 towns and 233 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 2021: The company can use up to \$40,000 for tax year 2021, and then carry forward \$60,000.

Here's one example of how to use the carry forward:

- ▶ \$40,000 for tax year 2021
- ▶ \$30,000 for tax year 2022
- ▶ \$15,000 for tax year 2023
- ▶ \$10,000 for tax year 2024
- ▶ \$5,000 for tax year 2025

# 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 the 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 2021 all at \$24.00 per hour (approximately \$50,000 per year). The company spends \$80,000 in renovations and new equipment.

- Part I

- $\$50,000 \times 6\% = \$3,000 \times 5 \text{ New Jobs} = \$15,000$

- Part II

4% of the lesser of the following:

	$\$20,000 \times 5 = \$100,000$	$\times 4\% = \$4,000$
or	$\$80,000$	$\times 4\% = \$3,200$

- Total Credit = \$18,200



**Bridgett Beckwith**  
**(603) 271-2342**

**[Bridgett.e.beckwith@livefree.nh.gov](mailto:Bridgett.e.beckwith@livefree.nh.gov)**

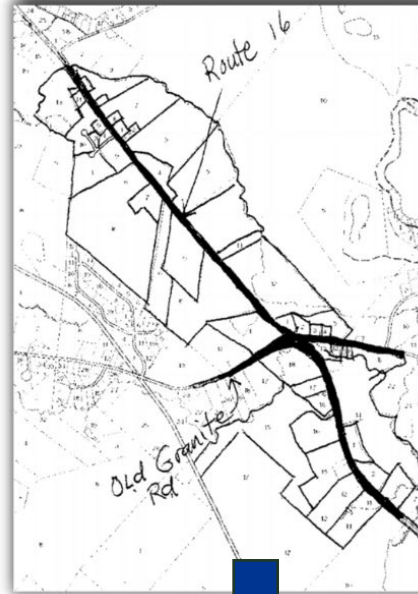
# Digital Mapping – Economic Revitalization Zones/Downtowns

Mentors: Kevin Peterson, Bridgett Beckwith, David Justice

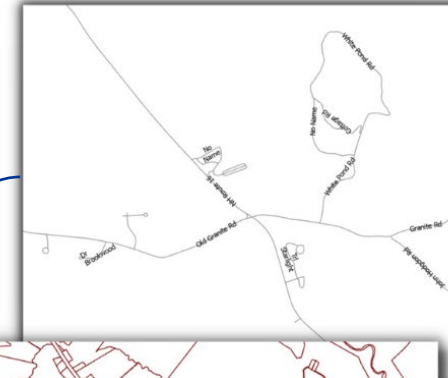
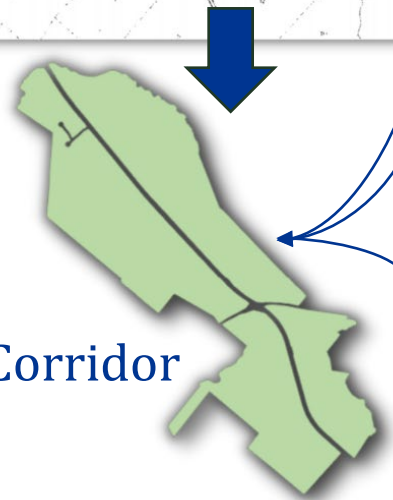
Digitized > 210 written maps of Economic Revitalization Zones in New Hampshire

Route 16 Ossipee Corridor

Original Map



Digitized Zone



Roads & Highways



Tax Parcels



Flowing Water Bodies

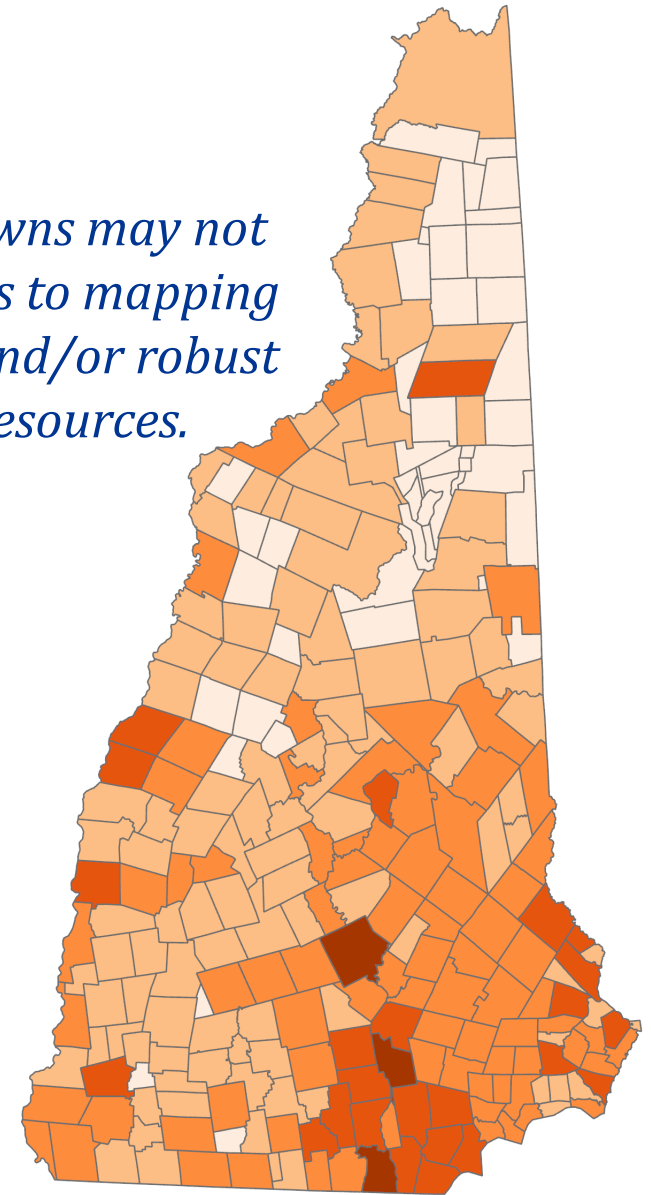
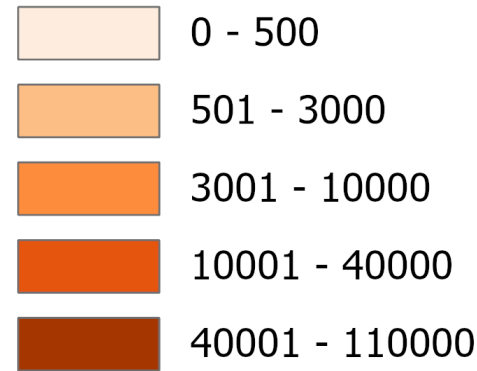
# Key Intentions & Findings

## Digitized maps will:

- Promote accessibility
- Remove barriers to development
- Provide statewide, consistent, accurate information

*Smaller towns may not have access to mapping software and/or robust planning resources.*

New Hampshire Population (Residents)





# Next Steps & Takeaways

## Next steps for the project:

- Finalization of ERZ layer
- Usage of Community Center Areas data layer

## My takeaways:

- Enhanced GIS knowledge/skills
- Increased understanding of economic/community development, processes, etc.



# Questions and Answer Section

- If you would like to ask a question, please either raise your hand and unmute yourself or type your question in the Chat box. If on the phone, lines have been unmuted



# Contact Information

**Bridgett Beckwith**, Tax Incentive Program Manager at the Department of Business and Economic Affairs (BEA)

[bridgett.e.beckwith@livefree.nh.gov](mailto:bridgett.e.beckwith@livefree.nh.gov)

**(603) 271-2342**

**Kevin Peterson**, Director of Economic Development at the Community Development Finance Authority (CDFA)

[kp@nhcdfa.org](mailto:kp@nhcdfa.org)

**(603)-717-9114**

**David Justice**, NH GRANIT Project Director, Earth Systems Research Center, University of New Hampshire (UNH)

[david.justice@unh.edu](mailto:david.justice@unh.edu)

**(603)-862-4698**

**Samantha Simpson**, a Fellowship Intern at the University of New Hampshire (UNH) and student of the Environmental Conservation and Sustainability program

[Samantha.Simpson@unh.edu](mailto:Samantha.Simpson@unh.edu)

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**THANK YOU**