

**HOOKSETT ECONOMIC DEVELOPMENT COMMITTEE
MEETING MINUTES
WEDNESDAY November 21, 2018
5:00 P.M.**

- **Call to Order 5:05**
- **Pledge of Allegiance 5:00**
- **Attendance:, Chair-David Scarpetti, Alden Beauchemin, Ivan Gault, Matt Barrett, Roger Duhaime, Paul Scarpetti, Mark Chagnon, Jim Sullivan-TC Representative**
- **Excused: Dan Lagueux, Paul Scarpetti, Roger Duhaime**
- **Staff Support:, Nicholas Williams - Town Planner, Kathy Lawrence – Administrative Assistant**
- **Approval of Minutes of October 17th, 2018 : Motion to approve by: Mark Chagnon 2nd by: Alden Beauchemin
Changes: None**

Appointments: Bridgett Beckwith with the State Department of Economic Affairs for a discussion of the Economic Revitalization Tax Credit Zones.

Bridgett provided handouts to assist in understanding the ERZ (Economic Revitalization Zone). Like Hooksett, several towns established their ERZ about 10 yrs. ago but the understanding of how to utilize it was not passed down to the town boards and groups. It is my job, that I have been doing for the last 3 years, and want to reach out to towns to help them get the word out to the businesses that may qualify for this tax credit and use it. The ERZ is designed to stimulate the economy, revitalizes areas and create new jobs. Once you have the zone or zones established it is up to the town to promote the program. The program has \$825,000.00 allotted to it. It is pro-rated so everyone that qualifies get a piece of that pie. It is not a lot of money and I keep on working to get more to assist with funding. This is money that comes from the state through business profit and business enterprise tax. These tax credits have no effects or cost to the town, you need to promote and to use it to keep your businesses in Hooksett. If the business doesn't know they are in the ERZ, then they can't use it. Qualifying businesses can get up to \$240,000 stretched over 6 yrs., at a maximum of \$40,000.00 a year. They have to invest in their own capital, whether they purchase new equipment or alter their building or even move into a new space, some kind of capital investment that is going to create new jobs.

David, do they have to spend the money first and then try to get the money by the end of the year?

Bridgett, what happens is they have a project and they know they are going to grow their business. We advise them on how to qualify, you can have them come to me if they have questions about the program. I

can help them be strategic on how to best utilize the funds. They may be able to qualify for ERZ tax credits for more than one year. There are requirements, they need to invest in their capital, create new jobs or a job, and they should reach out to the town and request a letter of approval and apply. Once they have applied to my office it becomes confidential. The information is not something we can share with the town or anyone. I can't tell the town how much they received. It is a simple application for the businesses to complete. It is a fairly simple process that I can assist them with. If you do have a business owner with a project, have them reach out to me!

David how does it get split up between all the towns? Does every town have a maximum that they can possibly get?

Bridgett no it is total of funds, it is pro-rated and each applicant brings that pie down a little more. The average applications I have are about 30 sprinkled all over the state. You have had 5 zones and it has been used once by Demoulas in 2011. Going forward, in 5 zones you have a lot of business owners that can reach out to and have them take advantage of this.

Mark what is the # of jobs they have to create?

Bridgett It could be just one full time position created to qualify but they won't get a much of a credit for that, it is pro-rated.

Mark Is it tax free income, do they have to pay taxes on it?

Bridgett It is not income, it is a credit this is coming off their taxes. There is no burden to the town. It is a tax credit by the state.

Mark you said it is the # of application spread out but if the next year there are a lot of applicants it could be a lot less.

Bridgett that is a different pro-rate for new applicants

David If it is divided over 6 years but they don't use after 2 years do they need to apply again? Do they have to apply for it again if they didn't use it for one of the years?

Mark If the project is completed in a year they still have 6 years to use the tax credit?

Bridgett Say someone qualifies for the full amount, they can spread it out over 6 years and if they don't have a lot of business projects that 1st year, they may use a portion of the credit and then the rest will carry forward with them and they can utilize it how they want. It will be between them and their accountant.

Bridgett they get this credit and they use it over the 6 years as they need it.

Mark do you take into consideration the economic growth that that business is providing to the town?

Bridgett no, we award the credit after the fact. If they do the improvements or create new jobs then they get the credit. Most people qualify, I have only had a 3 or 4 that I have had to call that did not qualify and it was because of the deadline for that year. We are closed out to 2017. There is a hard deadline for this and it is written in the RSA. Every year it is a February 10th deadline. They have to be postmarked for that day and then I have 30 days to get them turned around to the commissioner for signature and the letters out.

Mark If it is a startup they just fill out the application and provide the information of the new hires?

Bridgett We don't care if it is a new business or they have been established for 10 yrs.

David Can the money be used for engineering or land purchase?

Bridgett the only thing it can't be used for is everyday inventory. It could be a piece of equipment.

Mark so if it is a start up the tax credit can be for the purchase of the building or the land?

Bridgett you don't have to own the property but it can't be used for the monthly lease amount.

Matt It is for anything that will stimulate growth.

David can it be used outside of the zones we have established and can we add more zones or parcels?

Bridgett we can do that. Adding parcels is a conversation between the town and me and then it would need to be voted on the committee. There is no official approving process for added parcels.

Nicholas that is the process for adding a parcel I think we were interested in starting a new one. Is it the same process? Do we need a new application for a new zone?

Bridgett yes you would need a new application?

Jim Why have we only had 1 business use it in 10 years? Is it because they are not aware of it, or the town is not promoting it?

Bridgett We leave it up the town to create the zones and promote it.

Nicholas what are the guidelines for creating new zones?

Bridgett creating a new one is easy. It is whatever you want. We have updated criteria which could include snap shots or photos for proof that they are vacant or run down and could use revitalization. It can't be residential. Getting the word out is the most important piece. There was an example of a sign that a community used to get the word out for the ERZ. Offer to have them come here. I can come back and speak to a business that you have invited to a meeting.

David if a business wants to expand to a second location in Hooksett can they take advantage of it?

Bridgett yes as long as they hire at least one employee

David so they would have to hire a new employee though.

Jim if sewer came up by a business on 3A could they use this for that cost?

Bridgett It could offset the cost, if they knew they were getting a tax credit it could justify the cost of the sewer hook up. Typically we use it for hiring additional people.

Mark how do you prove that that business added 1 new employee?

Bridgett it is honesty right now but we are working on a way we can check.

Ivan When do they have to hire the new employee?

Bridgett they can hire at the last day of the year.

David have you ever penalized anyone?

Bridgett no, it is to hard to track.

David so this can be used for water hook-up?

Nicholas yes, you use it to offset the cost. I think we should utilize the zones we have and reach out to those businesses.

Matt How did these properties get put on the map? Can we put zones all over town?

Bridgett These zones were set up 10 years ago. You want to strategic about area you want to revitalize or promote. Not the areas that are revitalized and doing well. Also be ready to have some upset people that were not made aware of it.

Nicholas we want to be strategic so that we have funds that can help.

Matt we may not want to promote it to everyone. If they are getting credits then they are doing the improvements and that's good for the Town

Jim probably between Alice Ave to Smokers Haven and HK to Granite Hills. Those areas are in need of revitalizing. What is the average size of the businesses?

Bridgett provided history of the ERZ-1062 jobs were created in the state that got the credits, that is just the ones that got the credits. Last year there were 25 applicants and only 2 were big business that got the max.

Jim looking at your hand out it says the program will discontinue in 2020. Is that still the plan?

Bridgett I don't think so. I am going to push to keep it going and I think it will. I want to let the committee know you can contact me any time with questions or guidance or give the business owner to contact me. We have a web site called **Select NH**, municipalities that own any properties can upload them for free. Others can use it to promote their site selection for recruitment. Interested investors can go and look for Commercial properties.

Nicholas this is a tool we need to use for revitalizing an area that needs help with these tax credits. I want to start by notifying the businesses in the zones we already have and to promote the ERZ.

Bridgett Deb Avery a resource specialist for Hooksett can come along with me and talk about other promotions. We work for you.

David should we contact the businesses in these zones?

Nicholas we should mail a promotional card about the ERZ that they are in. We should go after the vacant lots first and then the established business. What about the piece that Scott just bought? That may be an area we may want to make an ERZ. Let's take care of what we have first. I think we should consider the sign.

Alden the town web site on the EDAC page is a great place to add the info.

David do we have money in the account for these signs?

Jim it is under the administration.

New Business:

Review 2019 meeting schedule-No changes made and will be posted on the website.

Old Business:

List of new businesses for the new Business Retention and Expansion Survey

The committee looked over the list of new businesses to use for the Ambassador Program. The committee will assign 2 members to each and meet with the business and provide the new BR&E Survey.

Nicholas I will send the list of questions to everyone for your review.

David at our December meeting let's make a list of who will go see which business.

Nicholas Williams: Update:

Northeast Credit Union is moving forward , Urgent Care is also moving forward (located out in front of Cinemagic), Corner Stone Park received conditional approval from planning this month. They are located on the corner of Smyth Road and Londonderry Turnpike. It will have 33 units marketed toward small contractors. Jacob Ave improvements are moving along with road improvements for Brookview. University Heights is moving forward with phase 3.

David has talked with Dean about the possibility of adding an alternate or two and is waiting to hear back about what guidelines there are for having an alternate?

Meeting adjourned @ 6:25 Motion to adjourn made by Mark Chagnon 2nd by Ivan Gult

Next meeting December 19 @ 5pm

Minutes respectfully submitted by: Kathy Lawrence