



**STAFF REPORT**  
*Public Hearing 1-19-2021*

AGENDA ITEM #: 21-03  
COUNCIL MTG OF: January 5, 2021  
FROM: Dave Caron, Town Administrator  
OFFERED BY: Administration  
PREPARED BY: Administration  
SUBJECT: Commercial Industrial Tax Relief for 14 Rte. 111

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## INTRODUCTION

The Council is requested to act affirmatively on an application for Commercial-Industrial Tax Relief for the Brookstone Event Center which was recently purchased by LaBelle Winery Derry.

## TOWN ADMINISTRATOR COMMENTS

Please see comments within this report.

## BACKGROUND

The Town Council adopted Ordinance #2019-010 on October 3, 2019 which expanded General Code, Chapter 138 to include a tax relief program for Commercial – Industrial property in Derry. To be eligible, the project must demonstrate that it will enhance the economic vitality of the Town and increase the commercial/industrial activity, including job creation. The program authorizes the Council to extend tax relief equal to 50% of the town and local school tax burden on the value of the improvements generated by the project, up to a period of ten years.

## DISCUSSION

The Council was alerted to the impending sale of the Brookstone Event Center some months ago and the prospective buyer's interest in some form of early tax relief in order to make major investments into the facility. The property has been purchased by LaBelle Winery which has facilities in Amherst and Portsmouth. Renamed as LaBelle Winery Derry, the facility will continue to operate as an event facility and nine-hole golf course. In addition, LaBelle plans to expand operations to include an artisan culinary market, a 300-seat restaurant in the existing building, a new winery barn and three-acre vineyard. LaBelle estimate improvements at \$2.5M.

Staff investigated options for tax incentives. The Town Council has adopted the provisions of 79-E (only available in the Downtown) and the Commercial-Industrial Tax Exemption (project eligible). We consulted with Town legal counsel and the New Hampshire Municipal Association to identify any other potential programs; communities do enter into multi-year tax agreements with some taxpayers, however, those per statute need to be affiliated with energy production.

It is the Derry Commercial-Industrial Tax Exemption Program which staff recommends Council consideration.

**FISCAL IMPACT**

Staff recommends a 50% exemption on new value for a period of ten years, which is the maximum available under both state statute and town ordinance. Presuming the renovation/improvement budget ultimately values at \$2.0M, the exemption if approved by the Town Council would be calculated as follows:

\$2.0M in value x combination of town and local school rate (\$21.60) = \$43,200 in year one after improvements, adjusted annually by the then current tax rate.

**RECOMMENDED ACTION BY COUNCIL**

Please see Resolution #2021-001