

## STAFF REPORT

AGENDA ITEM #: 21-119  
COUNCIL MTG OF: September 21, 2021  
FROM: Dave Caron, Town Administrator  
OFFERED BY: Planning Department  
PREPARED BY: Elizabeth Robidoux, Planning & Economic Development Assistant  
SUBJECT: Recertification of Economic Revitalization Zones (ERZ Zones) identified as Zone D and Zone E

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### INTRODUCTION:

The New Hampshire Department of Business and Economic Affairs has requested the Town of Derry to confirm the Town would like to continue the existing ERZ designation for Zone D and Zone E. Please see the attached map.

### TOWN ADMINISTRATOR COMMENTS:

The Town Council is encouraged to support the continuation of this program as another economic development tool to attract businesses to Derry.

### BACKGROUND:

The NH Department of Business and Economic Affairs is currently reviewing the status of previously designated ERZ zones. Economic Revitalization Zones (ERZ) are established to offer short term business tax credits for projects that improve infrastructure and create jobs in designated areas of the municipality. New and expanding businesses in these areas are eligible to apply for tax credits against the NH Business Profits Tax and/or the Business Enterprise Tax. The State of NH, Business and Economic Affairs administers the program and approves applications. The credit is available for a five-year tax period. The credits allow businesses to use a maximum credit per year of up to \$40,000.00 and the unused credit may be carried forward for up to five years. Municipalities must apply for the designation of the areas.

### DISCUSSION:

In 2015, the State RSAs governing ERZ zones were amended, and the districts now need to be reviewed by the municipalities every five years and a request made to the State to continue the designation of the zones. Planning staff reviewed the boundaries of the existing zones to see if there were any expansion options. In the future, the Council should consider establishing an ERZ zone along Route 28 South (Ryan's Hill) in the General Commercial VI zoning district. The Town has expanded the water and sewer infrastructure to this area and zoning has been changed to allow for increased commercial opportunities. The availability of tax credits is a benefit when developers are considering properties for development. Zones D and Zone E have vacant land or

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

FISCAL IMPACT:

It is anticipated there will be a positive tax impact if utilization of the State tax credits entices new/expanding commercial uses to the Town of Derry.

RECOMMENDED ACTION BY COUNCIL:

Staff would recommend that Town Council approve the continuation of the existing ERZ Zones D and E.

RECOMMENDED MOTION:

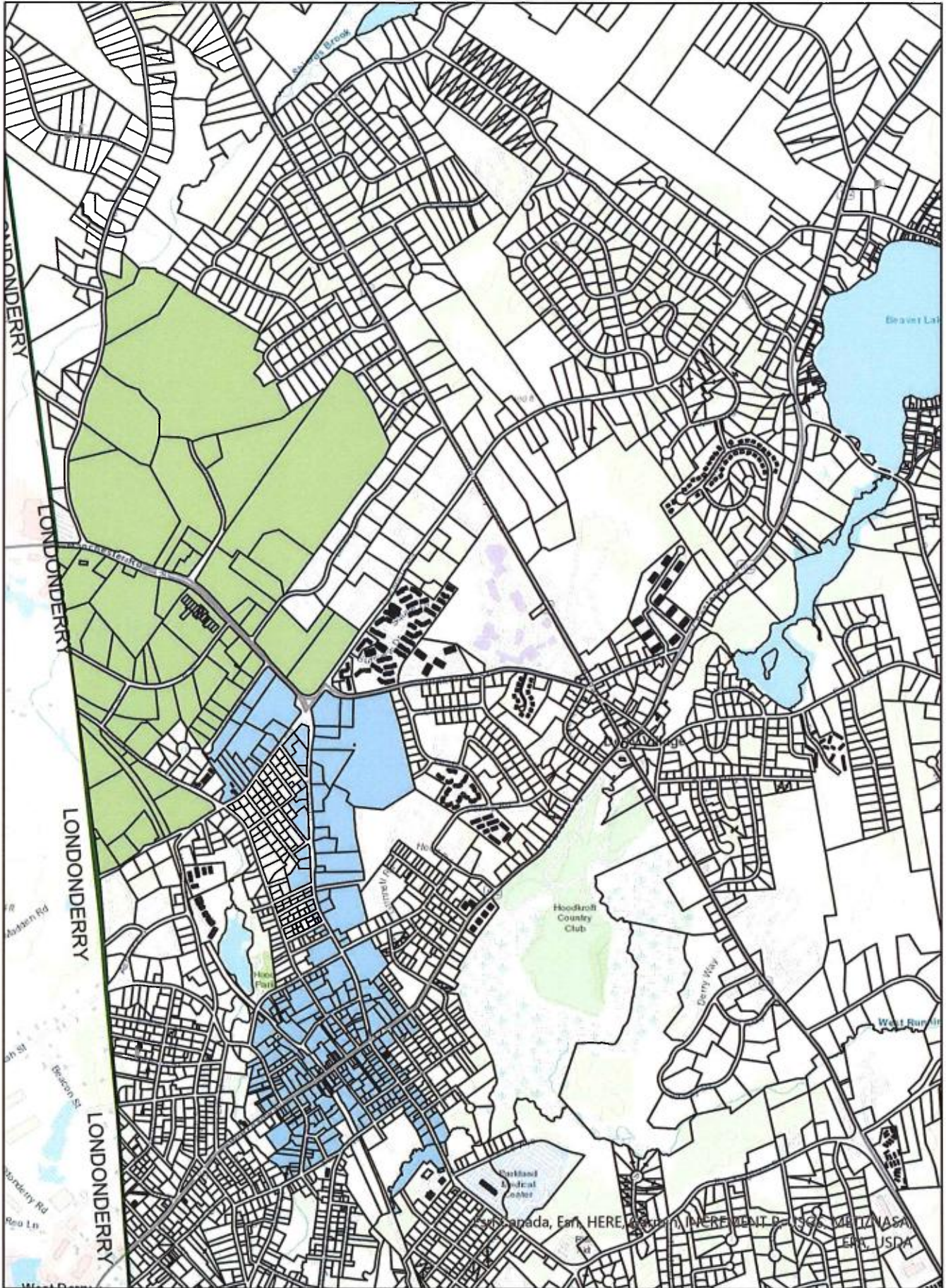
I MOVE THAT THE TOWN COUNCIL (adopt Resolution #2021-062) as follows ... *[Read the Resolution]*

I MOVE THAT THE TOWN COUNCIL vote to approve

*TA OFFICE USE -- Vote Required: Simple majority of Councilors present/Two-thirds majority of the entire Council (i.e. 5 votes in favor)*

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# Town of Derry - Economic Revitalization Zones 2021



- Zone E
- Zone D