

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

RSA 79-E FACT SHEET

What is the program?

The Community Revitalization Tax Relief Incentive program (79-E program) is a tool to encourage substantial rehabilitation of existing structures in the Village Center district through private reinvestment.

The purpose of the program is to encourage:

- Substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a structure.
- Growth of economic, residential, and municipal uses in a more compact pattern.
- Increase energy efficiency by rehabilitating historic structures and preserving existing building stock.

Who is eligible for the tax relief?

- Properties located in the downtown Village Center district are eligible.
- To qualify for the tax relief incentive, a property owner must undertake **substantial rehabilitation** of the structure(s) on the property. This is defined as a rehab cost of at least \$75,000 or at least 15% of the structure's assessed value, whichever is less.
- The improvements must result in a **public benefit** to the community. A public benefit is defined as contributing to downtown economic vitality, improving a culturally or historically important structure, promoting downtown development, or increasing downtown housing. A covenant will be recorded to protect the public benefit for a specific period of time.

What are the benefits to a property owner?

The tax relief incentive provides that there will be no tax increases attributable to the rehabilitation for a period of up to 5 years from completion of the rehab. This may be extended if new housing units are created or if the structure is historically important.

How can I apply?

- Applications are reviewed and acted on by the Board of Selectmen who will decide on a case by case basis if a proposed rehabilitation is eligible for the tax relief incentive.
- Applications are available at the Town Offices or online at:
http://www.farmington.nh.us/Public_Documents/FarmingtonNH_Planning/forms/index.

How does this fit in with Farmington's economic goals?

The proposed 79-E program accomplishes the following goals identified in the Economic Development chapter of the 2005 Master Plan:

- Strengthen downtown Farmington so that it contributes more to the town's tax base and employment opportunities.
- Improve community quality.
- Encourage property improvements.