## **Groton-New London Airport Development Zone**

**Overview:** In 2016, the Connecticut Department of Economic and Community Development (DECD) approved the designation of the Groton-New London Airport Development Zone (ADZ) which includes properties within a two-mile radius of Groton-New London Airport.

**Business Requirements:** This program provides tax incentives for manufacturers and certain related businesses that build or substantially renovate facilities in the ADZ.

**For qualifying manufacturers:** Companies involved in manufacturing, research associated with manufacturing and distribution warehousing (new construction/expansion only) may benefit from:

- a five-year, 80% property tax abatement; and
- a 10-year, 25% business tax credit.

**For qualifying service companies:** Certain service companies may also be eligible for these benefits based on several sliding scales.

## Eligible uses include:

- Manufacturing, processing, or assembling raw materials, parts, or manufactured products
- Performing research and development directly related to manufacturing
- Significantly servicing, overhauling or rebuilding machinery and equipment for industrial uses
- Warehousing and motor freight distribution uses qualify for the incentives, but only if the business handles goods that are transported by aircraft to or from Groton-New London Airport
- Business services, including information technology, also may qualify for incentives if, in the
  opinion of Connecticut DECD, the applicant's business depends upon or relates directly to the
  airport

**Property Tax Incentives:** Newly constructed, renovated, or expanded facilities may qualify for a real property tax abatement based on the assessed value of the improvement to the real property.

- The exemption equals 80% of the improvement's assessed value, and it is effective for five years.
- Acquired facilities may qualify for the same exemption based on the assessed value of the acquired section.

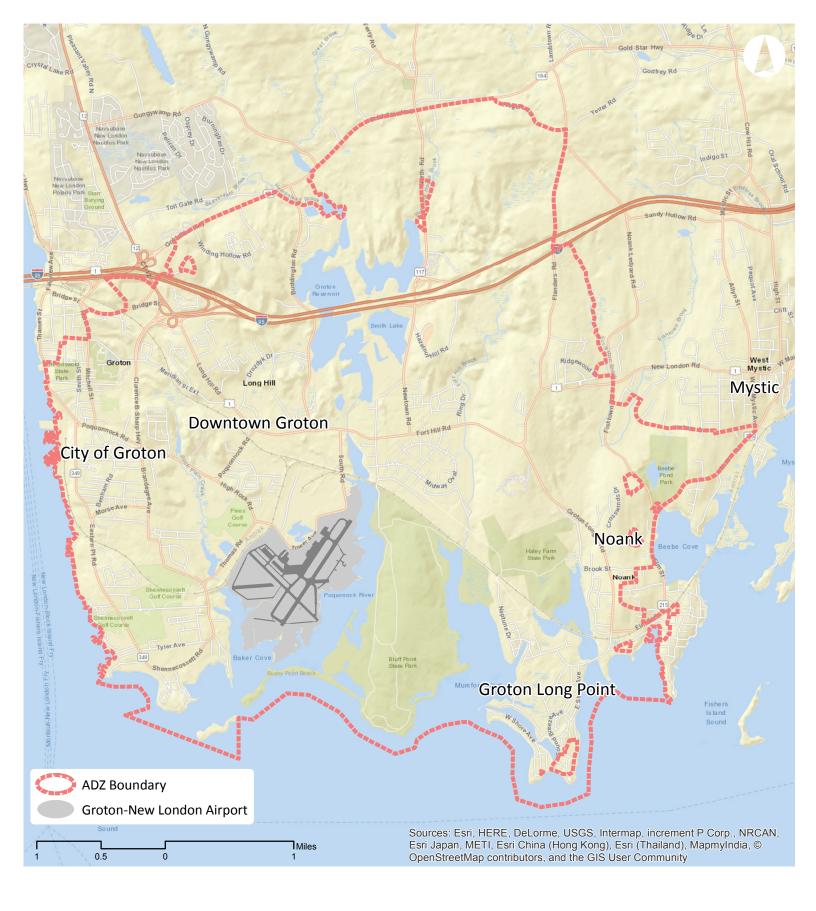
Businesses developing or acquiring a facility in the ADZ also may qualify for a five-year, 80% exemption on the assessed value of machinery and equipment it installs in the facility as part of its development or acquisition.

**Corporation Business Tax Credits:** Businesses that qualify for property tax exemptions also may qualify for a corporation business tax credit equal to the portion of the tax attributable to the facility (the statute specifies how businesses must calculate the amount).

• The credit equals 25% of that figure, and it is effective for ten years.

For more information on the Groton-New London Airport Development Zone, contact:

Paige Bronk, Economic and Community Development Manager, Town of Groton 860-446-5960 | pbronk@groton-ct.gov



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