

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:

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