

Franklin Fires Up Development Strategy

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22 Forge Parkway in Franklin is one of several properties to benefit from a special economic development designation.

Franklin has a lot of unoccupied commercial and industrial space, but administrative officials aren't sitting back and waiting for the recession to end.

Instead, local leadership has pursued special economic development designations for three areas of town in an effort to attract new businesses. The three areas are: Forge Park, Franklin Industrial Park and a town-owned Pond Street parcel that overlooks Interstate-495.

"We think by offering tax breaks in a great community that has rail and great highway access, we can take control of the process and attract businesses here," said Bryan Taberner, Franklin's planning director.

Zoning In On Development

Franklin is one of 10 communities in the I-95/495 South Regional Technology Economic Target Area, which allows the towns to designate areas of economic opportunity within its borders. The state's Economic Assistance Coordinating Council approved Franklin's application in April.

Properties within the economic opportunity areas can take advantage of tax increment financing (TIF) as well as other incentives.

In the mid-1980s and early 1990s many industrial and commercial properties were built in Franklin along with an MBTA station. Businesses have concentrated in Franklin, but over the last few years the normal moving in and out of businesses has become lopsided, with the economy heavily contributing to a larger exodus, Taberner said.

Now there is little land available for new industrial and commercial development, so it's important to redevelop what the town already has, according to Franklin Town Administrator Jeffrey D. Nutting.

"We want to enhance the intensity of the use in those areas," he said.

The moves have already seen some success. Tegra Medical has consolidated some of its work at 9 Forge Park. The company makes complex wire and tube products for the medical device and life sciences industries. It brought 180 employees and expects to grow to 200 by the end of the year, Taberner said.

Tegra was created in 2007 when Boston-based private equity company, Riverside Partners LLC, acquired three companies in different locations: New England Precision Grinding in Holliston, Accu-Met Laser of Cranston, R.I. and American Medical Instruments of Dartmouth. It consolidated the Holliston and Cranston, R.I., facilities in Franklin.

Robert Holmes, managing director of asset management for Colony Realty Partners LLC of Boston, which owns several properties in Franklin including 9 Forge Park, said the special economic designation has made a difference.

"It can be a tie-breaker. The 10-year, TIF (tax increment financing) financing really helped [Integra] bring three locations here to Franklin," he said.

In the case of Tegra Medical, the base taxes on the property remains the same. The tax breaks come on any increase on property valuations due to new capital investments. The TIF agreement that Tegra worked out with the town assumes the company and the property owner will invest \$1 million in building improvements. Through the TIF, both parties (the property owner and Tegra) are expected to save more than \$74,000 over a 10-year period.

While Tegra Medical officials like the TIF benefit, it was also the quantity and the quality of the available space in Franklin, including access to major highways, shopping and a hotel for customers and vendors that also helped the company decide to move to Franklin, according to Bob Roche, Tegra's president and chief operating officer.

The company can also claim a 5 percent investment tax credit from the state. This will help the Tegra as it plans to invest \$25.5 million on new equipment and other improvements over the next five years, Taberner said.

With the special economic development designation also comes an incentive for occupying and improving vacant buildings. Any company that moves into a building that has been 75 percent empty for two years or more can take advantage of a 10 percent abandoned building tax deduction.

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