



DOING BUSINESS IN
#LOWELL
THERE'S
A LOT TO *like*.

City of Lowell Economic Development Office Summary of Business Incentives and Support

There are many reasons that businesses across all industries have located and prospered here in Lowell. With our prime location at the intersection of Routes 3 and 495, state-of-the-art office facilities, and the talented workforce driven by higher education institutions like [UMass Lowell](#) and [Middlesex Community College](#), Lowell is a great place to grow and succeed. In recent years, companies such as [UKG](#), [IBM](#), [Jabra](#), and [Somerset Industries](#) have relocated their headquarters to Lowell, which is also home to some of the region's top employers like [Lowell General Hospital](#) and [MACOM Technology Solutions](#).

As the fifth largest city in Massachusetts, we have the sophistication and expertise of a large city and the personal attention and community commitment of a small town. The City has been at the forefront of utilizing federal, state, and local incentive programs to attract businesses and create jobs. The [City of Lowell's Economic Development Office](#) can identify the programs that meet your needs. Below is a sampling of available incentives.

Grant and Forgivable Loan Programs

[Small Business Expansion Forgivable Loan Program](#): The City can provide zero interest loans to support expenses associated with the company's expansion or relocation to Lowell. These loans, funded through our federal Community Development Block Grant program allocation, require no monthly payments and are forgivable if the company remains in Lowell for a minimum of three years and can provide proof of job creation in the form of payroll documentation.

[Storefront Improvement Program](#): The Storefront Improvement Program provides grants to property owners or tenants seeking to renovate or restore commercial building exterior facades. The Program seeks to increase accessibility into storefronts, improve the physical appearance of independent businesses, and enhance the commercial districts of Lowell.

[Workforce Training Fund Program](#): Massachusetts employers of any size may apply for grants to train new or existing workers. Training grants are available but not limited to the following: ESL; Project Management; Machine step-up and operations; Sales; Software and IT training; and Customer Service. [The "Express Program"](#) provides grant funds limited to \$20,000 per company per calendar year.

[Workplace Safety Grant](#) Program: The Massachusetts Department of Industrial Accidents (DIA) provides grants of up to \$25,000 each to employers to promote safe and healthy conditions in the workplace.

[Small Business Strong](#) (Free Professional Advisors), and [Biz-M-Power](#) and [Empower Digital](#) are grant programs offered through Mass Growth Capital Corporation.

Direct Lending

The City partners with several organizations that offer direct lending services to businesses. Some of these partners and their respective offerings are described below:

The [Entrepreneurship Center at CTI](#), as a recipient of a Small Business Administration (SBA) PRIME, administers a microloan fund available to small businesses and start-ups. Loans range from \$2,000 to \$50,000. Fund can be used for capacity building, working capital, and startup expenses.

The [Lowell Development and Financial Corporation \(LDFC\)](#) offers low-interest loans for the acquisition, construction or renovation of commercial, industrial or office facilities containing at least 10,000 square feet. The LDFC in partnership with the City and other local banks also offers the [Downtown Venture Fund Program](#), a low-interest loan fund available to new retail and restaurant ventures to locate in Downtown Lowell as well as the [Incubator Loan Fund](#), a low interest loan program targeted towards technology and life science startup businesses looking to expand in Lowell with a priority given to businesses who intend to create jobs.

[MassDevelopment](#), the State's top lending agency, offers several loan programs including programs specialized for emerging technologies, manufacturing, and others. [Property Assessed Cleaned Energy \(PACE\) program](#) offers attractive financing to property owners of commercial, industrial and multi-residential properties to make substantial energy improvements such as but not limited to new energy-efficient windows, roof, insulation, HVAC systems, solar panels, and LED lighting. [The Transformative Development Initiative \(TDI\) Equity Program](#) provides financing up to \$250,000 to commercial projects in and around a TDI district such as the Lowell's Acre TDI District.

[Massachusetts Growth Capital Corporation \(MGCC\)](#) is a state lending agency that offers several loan programs such as [microloans](#) to small businesses and [emergency loan funds](#).

The [Property and Casualty Initiative, LLC \(PCI\)](#) offers financing to companies and developers that are unable to obtain the required financing from conventional sources. Loans can be used for working capital, equipment and real estate purchases and redevelopment. Priority is given to projects located in an economic target area (i.e. Lowell ETA), minority and women-owned businesses and companies that are creating new jobs and/or employ low and moderate-income Massachusetts residents.

The [Small Business Administration \(SBA\)](#) offers business loans, guarantees and equity financing such as the Advantage Loan 7 (A) loan Program, real estate and equipment loans; disaster recovery, exporting and more.

Tax Incentives

The Massachusetts [Economic Development Incentive Program \(EDIP\)](#) is a tax incentive program designed to stimulate job creation, private investment, and economic development. Available tax incentives include:

- State's [Investment Tax Credit \(ITC\)](#)
- Local [Tax Increment Financing \(TIF\)](#), a real estate tax exemption on the incremental value of the property due to the significant investment as a result of the project.

The City of Lowell Economic Development Office has a strong relationship with the [Massachusetts Office](#)

of [Business Development \(MOBD\)](#), the agency in charge of overseeing EDIP, and will work closely with them throughout the application process. All past TIF proposals have been met with unanimous approval by the Lowell City Council.

[The Housing Development Incentive Program \(HDIP\)](#), established as M.G.L., Chapter 40V, provides Lowell with a development tool to increase residential growth, expand diversity of housing stock, support economic development, and promote neighborhood stabilization in designated areas. The program provides two tax incentives to developers to undertake substantial rehabilitation of properties for lease or sale as multi-unit market rate housing within the Lowell Housing Development (HD) Zone: 1. A local-option real estate tax exemption on all or part of the increased property value resulting from improvements (the increment) 2. State tax credits, for Qualified Substantial Rehabilitation Expenditures (QSREs) that are awarded through a competitive application process.

[The Urban Center Housing Tax Increment Financing \(UCH-TIF\) Program](#) is a State statutory program authorizing cities and towns in the Commonwealth of Massachusetts to promote housing and commercial development. The UCH-TIF Program provides real estate exemptions on all or part of the increased value (the "Increment") of improved real estate. Tax increment financing may be combined with grants and loans from local, state and federal development programs.

The [Massachusetts Vacant Storefront Program](#) provides state tax credits of up to \$10,000 to businesses that occupy eligible storefronts that have been vacant for 12 months or more within a pre-designated geographic area.

[Opportunity Zones](#) encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Qualified Opportunity Funds (QOF) that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory. There are five (5) U.S. Treasury designated Opportunity Zones in Lowell, including U.S. Census Tracts: 25017311600, 25017310100, 25017311900, 25017311800, and 25017311700.

[Research and Development \(R&D\) Tax Exemption](#): Any company located in Lowell that is engaged in research and development and is [classified as R&D with the Massachusetts Department of Revenue \(DOR\)](#) can qualify for 100% tax exemption on any core equipment directly related to its R&D activities. Companies in Lowell that currently receive this exemption save approximately \$31,000 per year in personal property tax payments on average.

[10% Research & Development Tax Credit](#): Massachusetts offers a 10% R&D Tax Credit for research expenses that would otherwise qualify for Federal R&D tax credits, and the percentage can increase when commercial research and development is done in collaboration with a local college or university. This credit can be used in addition to the [Manufacturing Investment Tax Credit](#).

[Angel Investor Tax Credit Program](#): Investors interested in funding early-stage companies engaged in life sciences research and development, commercialization and manufacturing in Massachusetts can obtain a credit of 20% of the qualifying investment, or 30% if the business is located in a Gateway City, such as Lowell. Credits are available up to \$50,000 in any one taxable year for qualifying investments of up to \$125,000 per qualifying business per year and up to \$250,000 in cumulative qualifying investments for each qualifying business.

Bioready Community: Lowell has received and maintained its Bioready Community Platinum status by [MassBio](#), which is the highest, most prestigious rating and comparable with Cambridge and other Boston area communities.

Manufacturers Investment Tax Credit (ITC): The Commonwealth offers a Manufacturers Investment Tax Credit (ITC), allowing registered manufacturers to claim an ITC on depreciable assets. The credit is calculated by computing 3% of the total capital investment in qualified equipment and facility leasehold improvements. This amount can be applied directly against any Massachusetts tax obligation.

Sales and Use Tax Exemption: Materials, tools, fuel, machinery, and replacement parts used in manufacturing and research and development may qualify for exemption from sales and use taxes.

Single Sales Tax Treatment: Massachusetts' Single Sales Factor tax allotment can significantly reduce the tax burden and distribution for manufacturers. The single sales factor apportionment is the ratio of Massachusetts sales to overall sales. Net income subject to Massachusetts tax is determined by multiplying overall net income by the apportionment factor. This is advantageous for companies with significant property and employees, as it does not penalize companies for continual investment in the business or for hiring more employees.

Work Opportunity Tax Credit (WOTC): Employers may be eligible for a federal tax credit through the WOTC if they hire certain groups of unemployed population who have consistently faced barriers to employment.

Procurement Opportunities

Portions of the City of Lowell hold a federal [HUBZone designation](#). This designation promotes economic development and job creation by providing federal contracting preferences for small businesses that obtain HUBZone certification.

Other Technical Assistance Services and Programs

Site Finder Services: The City's Economic Development staff can help you find the right space in Lowell where your business can thrive and grow. Our database of available commercial and industrial properties in Lowell is updated on a regular basis and our staff is very knowledgeable about Lowell's commercial real estate market.

Business Assistance: The City of Lowell through its Economic Development Office has continually engaged in providing a "business friendly" environment and continues to offer a one-stop-shop to businesses, property owners and developers seeking to obtain permits and licenses.

UMass Lowell CORE Research Facilities: A thriving research university, UMass Lowell is providing state-of-the-art resources and equipment to the business community in the Greater Lowell region. It offers the latest technology and equipment to assist researchers in the fields of bioengineering, biomaterials, green chemistry, nanotech, robotics and much more.

UMass Lowell Corporate Training Programs: UMass Lowell has partnered with more than 1,400 companies in the Greater Lowell Area to provide customized training and professional development.

[Middlesex Community College Corporate Training Programs](#): For over three decades MCC has educated and trained thousands of employees in hundreds of industries and municipalities throughout the Greater Lowell area.

[Energy Aggregation](#): The City of Lowell is a municipal aggregator, allowing the City to competitively procure a lower cost electricity supply.

[First-Time Homebuyer Programs](#) : Lowell's reasonable housing costs offer a great opportunity for your employees to live near their place of work. Our First Time Homebuyer Assistance program makes it easier for employers and their employees to access the home of their dreams.

The [MassDreams Program](#) provides down-payment and closing cost grants to first-time homebuyers who meet the program's eligibility criteria and who currently live in one of the 29 communities that were disproportionately impacted by the COVID-19 pandemic, including Lowell.

Entrepreneurship Assistance & Business Development

The [UMass Lowell Innovation HUB](#) offers premier co-working space in Lowell, providing the benefits of a research university at a price that startups can afford.

The [Massachusetts Medical Devices Development Center \(M2D2\)](#) is a lifeline for the state's smaller medical device companies, offering inventors and executives easy, affordable, and coordinated access to world-class researchers and resources at the [UMass Lowell](#) and the [UMass Medical School](#) campuses of the University of Massachusetts.

The [Entrepreneurship for All \(EforAll\)](#) is dedicated to inclusive entrepreneurship. [EforAll Pitch Contests](#) are fast-paced, fun community events that help early-stage entrepreneurs gain valuable exposure and feedback on a business idea. The [EforAll Accelerator Program](#) is a free, one-year program that offers a unique combination of immersive business training, mentorship and access to an extended professional network. These programs are also offered in Spanish.

[Lowell Makes](#) is a 501(c)(3) non-profit, shared community workshop and laboratory. They are an organized group of local artists, engineers, makers, and thinkers who work together to provide tools and learning resources to the public.

[FORGE](#) is a 501(c)(3) nonprofit on a mission to help startups navigate the journey from physical prototype to commercialization and impact at scale.

The [MA Innovation Network](#) is a non-profit organization supporting innovators. They are on a mission to boost innovation and economic development within New England and beyond.

The [MA Life Sciences Center](#) is an economic development and investment agency with a mission of supporting the growth and development of the life sciences in Massachusetts. As a quasi-public agency, the Massachusetts Life Sciences Center supports innovation, research and development, commercialization, and manufacturing activities in the fields of biopharma, medical device, diagnostics, and digital health.

The [Middlesex 3 Coalition \(M3\)](#) is a regional economic development organization that brings the public and the private sector together to help address the business development challenges that are difficult for one community or one company to address on their own.

The [Greater Lowell Chamber of Commerce of Commerce](#) covers the communities of Billerica, Chelmsford, Dracut, Lowell, Tewksbury, Tyngsboro and Westford. The Chamber works hard to provide members with resources, advocacy and information, along with networking and marketing opportunities.

For more information please contact Lowell's Economic Development Team at DoBizInLowell@lowellma.gov or 978.674.4252