

As you sign new deals, don't forget to tell your clients about the many programs available for Lower Manhattan tenants. For more details and information, please visit our website at www.downtownny.com/dobusiness/assistance/incentives.

Commercial Revitalization Program (CRP)-- Expires 3/31/14 and 6/30/2013

- o Offers two benefits: \$2.50 per SF real estate tax abatement and a commercial rent tax exemption.
- o For the real estate tax abatement, tenants must be in a pre-1975 building and must meet required expenditures in space improvements. Offers a 3 or 5 year benefit.
- o For commercial rent tax exemption, tenants must pay over \$200,000 a year in annual rent, and must be a for-profit business (nonprofits or smaller tenants that pay under \$200k per year do not pay commercial rent tax, so this portion does not apply to them). Buildings may be newer than 1975, and the eligibility area extends to Canal Street.
- o For both portions of CRP, applicants have 180 days from the date of lease commencement to submit their application to DOF, and subleases are not eligible.
- o Program Website: http://www.nyc.gov/html/dof/html/property/property_tax_reduc_revitalization.shtml

Industrial & Commercial Abatement Program (ICAP)

- o Preliminary applications must have been received before 3/1/2015.
- o Offers a partial property tax exemption and/or abatement to developers or building owners who build new or rehabilitate existing commercial or industrial properties. Owner or developer must make expenditures of at least 30% of the assessed value of the project.
- o Program Website: http://www.nyc.gov/html/dof/html/property/property_tax_reduc_incentive.shtml

Lower Manhattan Energy Program (LMEP)—Expires 6/30/13.

- o Offers a reduction in energy costs of up to 45% for 12 years in eligible buildings that meet ICAP requirements.
- o There is no application needed for tenants—if they are located in an eligible building that is receiving LMEP, the landlord or building owner should pass the credit through to the tenant.
- o New York City Business Solutions website: <http://www.nyc.gov/html/sbs/nycbiz/html/summary/incentives.shtml>

Lower Manhattan Relocation Employment Assistance Program (LM-REAP)—Expires 6/20/13.

- o Provides a \$3,000 tax credit per employee, per year to businesses that relocate to Lower Manhattan from outside of the 5 boroughs. Some businesses that already have operations in NYC may also be eligible under the REAP for Special Eligible Businesses (SEB). The credit may be taken against the NYC General Corporation Tax, the Banking Corporation Tax, the Unincorporated Business Tax, and/or the Utility Tax.
- o Program Website: http://www.nyc.gov/html/dof/html/property/property_tax_reduc_reap_lm.shtml

Sales Tax Exemption—Expires 9/1/13.

- o Offers an exemption on sales tax on goods purchased for the build-out of a space.
- o Tenant must have at least a 10-year lease.
- o In only the WTC and WFC personal goods such as furniture, fixtures and equipment are eligible as well. In all other areas of Lower Manhattan, only goods that contribute to permanent capital improvements of the space qualify.
- o Program Website: <http://www.nycdc.com/FinancingIncentives/TaxExemptions/LowerManhattanIncent/Documents/SalesandUseTaxExemption.pdf>

Please keep in mind that the above explanations describe only the basic eligibility requirements for each program. Please be sure to visit the program websites for additional details and to determine eligibility. To speak to someone at the Downtown Alliance about incentives your client may qualify for or to get more information, please email us at incentives@downtownny.com or call our hotline at 212-835-2790.