



# INDUSTRIAL AND COMMERCIAL ABATEMENT PROGRAM

## PRELIMINARY APPLICATION AND INSTRUCTIONS

Mail to: NYC Department of Finance, Industrial and Commercial Abatement Program, 59 Maiden Lane, 22nd Floor, New York, NY 10038

**Instructions:** The completed application must be accompanied by a narrative describing the project site; the proposed improvement(s); the proposed uses of the building or structure upon completion of improvements; and whether the improvements are building-wide or limited to specific building systems or renovations to particular areas (such as specific floors or lobby) of the building. There is no fee for this application.

**NOTE: FAILURE TO FILE AN APPLICATION FOR INDUSTRIAL AND COMMERCIAL ABATEMENT PROGRAM (ICAP) BENEFIT BEFORE RECEIPT OF THE FIRST BUILDING PERMIT OR, IF NO PERMIT IS REQUIRED, THE START OF CONSTRUCTION WILL DISQUALIFY YOU FROM RECEIVING BENEFITS UNDER THIS PROGRAM.**

### PROGRAM OVERVIEW AND MILESTONES

#### OVERVIEW

The Industrial and Commercial Abatement Program (ICAP) provides for a partial abatement of taxes for eligible industrial or commercial buildings which are constructed, modernized, rehabilitated, expanded or otherwise physically improved. As of May 18, 2011, benefits are available for electricity generating units defined as "Peaking Units." Benefits are not available for any other utility property. Additionally, benefits for space used or held out for retail purposes may receive limited or no benefits and may disqualify a project from any benefits depending upon location of the building and/or the construction work performed. ICAP benefits are granted as of right to all applicants whose projects qualify under the provisions of the legislation.

#### EXPIRATIONS AND FILING DATES

Under the current statute, ICAP will expire March 1, 2017. Preliminary applications received after this date are late and are not eligible for benefits.

#### CERTIFICATES OF ELIGIBILITY

The Department of Finance, which administers this program, issues *Certificates of Eligibility* for projects which meet the program requirements.

No tax benefit will be granted pursuant to this title if a property is concurrently receiving an exemption or abatement of real property tax under any other law, with a small number of exceptions such as exemptions available to property owned by not-for-profit organizations. A subsequent ICAP benefit is not available for construction work on the same portion of the property for which construction work is the subject of an abatement pursuant to the ICAP program until at least *four years have elapsed since the first day of the first tax year of such prior abatement benefit.*

#### MINIMUM REQUIRED EXPENDITURES

Applicants must meet Minimum Required Expenditure (MRE) targets. The MRE is a percentage of assessed value of the project in the year of the issuance of the building permit or, if no permit is required, the start of construction. The MRE is 30% of the property's taxable assessed value in the tax year with a taxable status date immediately preceding the issuance of the first building permit, or, if no permit is required, commencement of construction.

For an industrial construction project that meets an MRE of 40% or more, the project will be eligible for the additional abatement that reduces the pre-construction tax on the building or structure.

#### FILING AND PERMITS

Applicants must file a preliminary application with the Department of Finance **PRIOR** to the issuance of a building permit for this project or, if no permit is required, prior to the start of construction. **Failure to file the preliminary application timely will disqualify an applicant from receiving any benefits under this program.** If the filing requirements are met, an applicant may commence construction once the Buildings Department issues a permit. Information regarding additional filings may be found on Page B: "Program Milestones."

#### BENEFIT SCHEDULE

The benefit schedule for industrial projects is the same citywide. As is the benefit schedule for "Peaking Units." For commercial projects, the City is divided into regular, renovation and special areas, the boundaries of which will be set by the Temporary Boundary Commission for the first time in 2009 and every three years thereafter. Special commercial areas designated previously under ICIP will

**PROGRAM OVERVIEW AND MILESTONES - Continued**

continue to be in effect until new boundaries are set.

**MILESTONES**

- File preliminary application for Certificate of Eligibility with the ICAP M/WBE Compliance Report before issuance of building permit, or if no permit is required, the start of construction.
- For projects \$750,000 and over applicants are also required to submit a copy of the preliminary application for Certificate of Eligibility **and** the ICAP M/WBE Compliance Report to the Department of Finance **and** the Division of Labor Services at the Department of Small Business Services.

For complete ICAP Benefit Schedules, visit [nyc.gov/finance](http://nyc.gov/finance)

- **All ICAP applicants must reach out to M/WBE firms for the purpose of promoting contacting opportunities on the project.** To find M/WBE firms, please access the City's Online Directory of Certified Businesses. To search for firms by commodity codes, locations, and keywords, go to [www.nyc.gov/buycertified](http://www.nyc.gov/buycertified).
- Notify the Division of Labor Services 15 business days before commencement of work. Submit an Employment Report for projects with construction contracts in excess of \$2,500,000 for the applicant and subcontractor contracts in excess of \$1,000,000.
- Receive a *building permit*, where required, prior to the

commencement of construction.

- File completed final application for Certificate of Eligibility no later than one year after the effective date of eligibility. The effective date of eligibility is the date of the first building permit that allows construction to proceed, or if no permit is required, no later than one year from the date that construction started. Construction does not need to be complete to submit a final application, so there are no exceptions. If a final application is submitted after one year, the application will be automatically denied.
- Submit proof of meeting the minimum required expenditure *within applicable time periods* after issuance of the building permit on projects under construction or *upon completion*.
- Notify the ICAP unit in writing *within 15 days* of completion of project and submit final construction report within 60 days of completion. A final certificate of eligibility will then be issued.
- File Certificate of Continuing use biennially with the Department of Finance during the benefit period. However, an amendment to the certificate of continuing use must be filed immediately in certain circumstances when space is converted to another use.
- Project must be completed no later than five years from the date of the first permit.

**AGENCY ADDRESSES AND TELEPHONE NUMBERS**

**NYC DEPARTMENT OF FINANCE**

ICAP  
59 Maiden Lane, 22nd Floor  
New York, NY 10038  
E-mail: [nyc.gov/contactfinance](mailto:nyc.gov/contactfinance)

**NYC DEPARTMENT OF SMALL BUSINESS SERVICES**

Division of Labor Services Program  
110 William Street, 7th Floor  
New York, NY 10038  
Telephone: 212-513-6323

**NYC DEPARTMENT OF SMALL BUSINESS SERVICES**

Energy Cost Savings Program  
110 William Street, 7th Floor  
New York, NY 10038  
Telephone: 212-513-6345

For financing initiatives contact:

**NYC ECONOMIC DEVELOPMENT CORPORATION**

Industrial Development Agency  
110 William Street, 6th Floor  
New York, NY 10038  
Telephone: 212-312-3600

**NOTE**

**THIS PRELIMINARY APPLICATION, WHEN DULY FILED, WILL FULFILL THE REQUIREMENT THAT AN APPLICATION BE MADE BEFORE ISSUANCE OF A BUILDING PERMIT OR, IF NO PERMIT IS REQUIRED, THE START OF CONSTRUCTION. HOWEVER, THE FILING OF A PRELIMINARY APPLICATION DOES NOT CONFER THE RIGHT TO ANY BENEFIT.**



**SECTION IV AGREEMENTS AND CERTIFICATION**

The undersigned agrees and represents that:

The applicant will comply with the Rules of the Office of the Mayor for implementation of Executive Order No. 50 (1982) or amendments relating to equal employment opportunity programs to the same extent as if the applicant was a contractor with the City of New York and will not commence construction work until at least 15 business days have elapsed without comment after filing Employment Reports for itself and each such contractor, if applicable. Employment Report forms are available from the Department of Finance and should be filed with the Division of Labor Services, 110 William Street, 7th Floor, New York, NY 10038 or call the Division of Labor Services at 212-513-6323. The applicant will also comply with and be subject to the rules issued from time to time by the Department of Finance to secure compliance with all applicable City, State and federal laws or which implement mayoral directives and executive orders designed to ensure equal employment opportunity.

Under Local Law 67 of 2008, all ICAP applicants must reach out to City-certified Minority and Women-owned Business Enterprises (M/WBEs) for the purpose of promoting contracting opportunities on the project.

Please submit the ICAP M/WBE Compliance Report, along with the Preliminary Application for Certificate of Eligibility, to the Division of Labor Services at the Department of Small Business Services.

**INDUSTRIAL AND COMMERCIAL ABATEMENT PROGRAM (ICAP) APPLICANT RESPONSIBILITY CHECKLIST**

<i>Submit PRELIMINARY Application for Certificate of Eligibility</i>					<b>Submit FINAL application for benefits stage</b>
CONTRACT VALUE	Search for firms in the Online Directory of Certified Firms	Solicit bids from at least three certified M/WBE firms for each subcontracting project*	Submit a copy of the ICAP M/WBE Compliance Report to DLS	Submit Employment Report to DLS 15 days before commencement of work	Submit ICAP M/WBE Compliance Report to NYC Department of Finance
<i>Less than \$750,000</i>	✓				
<i>\$750,000 - \$1.5 million</i>	✓		✓		✓
<i>\$1.5 million - \$2.5 million</i>	✓	✓	✓		✓
<i>Greater than \$2.5 million</i>	✓	✓	✓	✓	✓

\*The applicant shall maintain records demonstrating its compliance with this provision.

***Ready to Search for Certified Firms? Visit [www.nyc.gov/buycertified](http://www.nyc.gov/buycertified)***

The Online Directory of Certified Businesses provides a comprehensive, searchable tool that helps city buyers and contractors identify certified Minority and Women-owned Business Enterprises (M/WBEs) throughout the New York City tri-state area. Find detailed information on certified companies, including a brief description of their work history, contact information, and detailed information about what the companies sell.

I certify that the information on this application, and any accompanying documents, is, to the best of my knowledge, true correct and complete.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

To inform the Department of Small Business Services (SBS) of contracting and subcontracting opportunities, or to get additional help finding M/WBEs, please contact Buyers Services at 212-513-6356 or e-mail [buyer@sbs.nyc.gov](mailto:buyer@sbs.nyc.gov).



**INDUSTRIAL AND COMMERCIAL  
ABATEMENT PROGRAM (ICAP)  
MINORITY AND WOMEN-OWNED BUSINESS  
ENTERPRISES (M/WBE) COMPLIANCE REPORT**

Mail to: NYC Department of Finance, Industrial and Commercial Abatement Program, 59 Maiden Lane, 22nd Floor, NY 10038

The ICAP M/WBE Compliance Report—must be submitted with the Preliminary Application for Certificate Eligibility. Local Law 67 of 2008 requires that all Industrial and Commercial Abatement Program (ICAP) beneficiaries include City-certified Minority and Women-owned Business Enterprises (M/WBE) firms in construction projects for which tax abatements are granted.

**All ICAP applicants must reach out to M/WBE firms for the process of promoting contracting opportunities on the project.** To find M/WBE firms, please access the City's Online Directory of Certified Businesses. To search for firms by commodity codes, locations, and keywords, go to [www.nyc.gov/buycertified](http://www.nyc.gov/buycertified)

- **For projects over \$750,000, ICAP applicants must indicate which outreach activities they performed by checking the boxes below. Please note applicants must keep detailed records of the outreach activities accessible at their place of business.**

**Outreach Activities (check all that apply):**

- Advertised opportunities to participate in the project in general circulation media, trade and professional association publication, small business media, and publications of M/WBE organizations
  - Provided written notices of specific opportunities to M/WBE firms inviting their participation
  - Held meetings with M/WBEs prior to the date their bids or proposals were due, for the purpose of explaining in detail the scope and requirements of the work for which their bids or proposals were solicited
  - Made efforts to negotiate with M/WBEs to perform specific subcontracts, or act as suppliers or service providers
  - Made timely requests to the NYC Department of Small Business Services for help locating certified M/WBE firms
  - Attempted to identify interested M/WBEs not currently on the list of City-certified firms
- **Applicants with construction projects \$1.5 million and greater must complete the above requirements as well as list at least three M/WBE firms that were solicited to perform subcontracting work for each subcontract on the project (see next page).**

SUBCONTRACT DESCRIPTION			AMOUNT
NAME AND ADDRESS OF SOLICITED M/WBE FIRMS	SOLICITED MM/DD/YY	RESPONDED MM/DD/YY	AWARDED MM/DD/YY
1.			
2.			
3.			

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1.			
2.			
3.			

If you have completed the Compliance Report you must also submit a copy of this page.