

ICAP Industrial and Commercial Abatement Program PRELIMINARY APPLICATION INSTRUCTIONS

This Preliminary Application, when duly filed, will fulfill the requirement that an application be made before issuance of a building permit, but does not confer the right to any benefit.

Please be sure to complete all sections and sign this application.

Mail completed application and all required attachments to:

New York City Department of Finance, ICIP/ICAP, 59 Maiden Lane, 22nd Floor, New York, NY 10038

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.

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 that 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 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, 2022. Preliminary applications received after this date will be late and won’t be eligible for benefits.

Certificates of Eligibility

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

No tax benefit will be granted under 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 under the ICAP program until at least *four years have elapsed since the first day of the first tax year of the prior abatement benefit.*

Minimum Required Expenditures

Applicants must meet Minimum Required Expenditure (MRE) targets. 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.

Residential and Retail Space Limitation

No more than 20% of the total rentable square footage can be dedicated to residential purposes. If so, apportionment is required. See nyc.gov/apportionments for more details.

The availability of ICAP benefits for retail use is limited in the following cases:

- A. For industrial buildings or commercial buildings in special commercial areas: if retail use exceeds 10% of the tax lot, the excess retail space is granted a 15-year benefit rather than the 25-year benefit.

B. Renovation areas of Manhattan: except in the Lower Manhattan renovation area, any retail use in excess of 5% of the tax lot is ineligible for ICAP benefits.

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 on a timely basis will disqualify an applicant from receiving any benefits under this program.* If the filing requirements are met, an applicant may begin construction once the Buildings Department issues a permit. Information regarding additional filings may be found in the following “MILESTONES” section.

Milestones

- File ICAP Preliminary Application for Certificate of Eligibility before the issuance of a building permit, or if no permit is required, the start of construction.
- For projects \$750,000 and over, applicants are also required to submit to the NYC Small Business Services - Labor Services Unit, a copy of the ICAP Preliminary Application for Certificate of Eligibility AND the ICAP M/WBE Compliance Report. A copy of the ICAP M/WBE Compliance Report and the NYC Small Business Services Certificate of Approval for projects greater than \$2.5 million, are to be submitted to the Department of Finance with the ICAP Final Application only.

**For complete ICAP Benefit Schedules,
visit nyc.gov/finance**

- *All ICAP applicants must reach out to Minority and Women-owned Business Enterprises (M/WBE) for the purpose of promoting contracting opportunities on the project.* To find M/WBEs, please visit the City’s Online Directory of Certified Businesses. To search for firms by commodity codes, locations, and keywords, go to 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.
- Submit notice of completion to ICAP Unit within 120 days of taxable status after the completion date. A Final Certificate of Eligibility will then be issued. Taxable status date is January 5, preceding the tax year starting July 1.
- File a Certificate of Continuing use every two years 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 in order to receive ICAP inflation protection benefits.

Application Fee

The filing fee applies only to preliminary applications received on or after April 1, 2017. For preliminary application received prior to April 1, 2017, no fees are required for any part of the process (Final application and notice of completion)

- Preliminary Application - \$150.00 (certified check or money order only)
- Final Application - \$500.00 (certified check or money order only)
- Notice of completion - \$1000.00 (certified check or money order only)

Mail your check payable to “The Department of Finance”

Agency Addresses and Telephone Numbers

**NYC Department of Finance
Industrial and Commercial Abatement Program**

59 Maiden Lane, 22nd Floor
New York, NY 10038
nyc.gov/contacticipap

**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

Industrial and Commercial Abatement PRELIMINARY APPLICATION

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1. APPLICANT INFORMATION

1. APPLICANT NAME

CONTACT PERSON (IF OTHER THAN APPLICANT)

STREET ADDRESS

APT.

CITY

STATE

ZIP

TELEPHONE NUMBER

CELL NUMBER

EMAIL ADDRESS

FAX NUMBER

APPLICANT'S EMPLOYER ID NUMBER

2. APPLICANT'S REPRESENTATIVE

If a representative is designated below, correspondence will be sent ONLY to the representative.

2. REPRESENTATIVE NAME (FIRST, LAST)

REPRESENTATIVE FIRM NAME

STREET ADDRESS

APT.

CITY

STATE

ZIP

TELEPHONE NUMBER

CELL NUMBER

EMAIL ADDRESS

FAX NUMBER

3. SITE INFORMATION

| | | |
|------------------------|-----------------|--------|
| 3. BOROUGH | 4. BLOCK | LOT(S) |
| 5. SITE ADDRESS | | |
| CITY | STATE | ZIP |

4. PROJECT INFORMATION

| | | |
|---|---|---|
| 6. TOTAL FLOOR AREA (IN SQ. FEET) | 7. TYPE OF PROJECT (CHECK ALL THAT APPLY) <input type="checkbox"/> New Building <input type="checkbox"/> Alteration <input type="checkbox"/> Addition to Existing Space | |
| 8. PROPOSED USE (CHECK ALL THAT APPLY) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Retail <input type="checkbox"/> Hotel <input type="checkbox"/> Residential <input type="checkbox"/> Utility | | |
| 9. RETAIL SQUARE FOOTAGE | 10. ESTIMATED COST OF CONSTRUCTION \$ | |
| 11. <input type="checkbox"/> Yes <input type="checkbox"/> No Will proposed work require a building permit? <i>If no, continue to question 14.</i> | | |
| 12. <input type="checkbox"/> Yes <input type="checkbox"/> No Has a building permit been issued? IF YES, GIVE DATE | | 13. DATE OF COMMENCEMENT OR PROJECTED COMMENCEMENT |
| 14. <input type="checkbox"/> Yes <input type="checkbox"/> No Will the project require any zoning change, other variance or consent from a government agency? <i>If yes, describe.</i> | | |
| 15. <input type="checkbox"/> Yes <input type="checkbox"/> No Has an application been made for any other New York City Exemption or Abatement Program, for example J-51, lease abatement, ECSP, prior ICIP, ICAP etc.? <i>If yes, specify.</i> | | |
| 16. <input type="checkbox"/> Yes <input type="checkbox"/> No If no, will you be applying for any? | | |
| 17. THIS APPLICATION IS FOR (CHECK ALL THAT ARE APPLICABLE) <input type="checkbox"/> Industrial Abatement <input type="checkbox"/> Commercial Abatement <input type="checkbox"/> Additional Industrial Abatement | | |
| 18. <input type="checkbox"/> Yes <input type="checkbox"/> No Are you planning to subcontract? <i>If yes, please list all trades.</i> | | |

5. 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> | | | | | Submit FINAL Application for Benefits Stage |
|--|---|---|--|---|--|
| 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 AND NYC SMALL BUSINESS SERVICES CERTIFICATE OF APPROVAL TO NYC DEPARTMENT OF FINANCE |
| Less than \$750,000 | ✓ | | | | |
| \$750,000—\$1.5 million | ✓ | ✓ | ✓ | | |
| \$1.5 million—\$2.5 million | ✓ | ✓ | ✓ | | |
| Greater than \$2.5 million | ✓ | ✓ | ✓ | ✓ | ✓ |

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

I certify that the information on this application, and any accompanying documents, is, to the best of my knowledge true, correct and complete and that I acknowledge that the Minority and Women-owned Business Enterprises Compliance Report must be submitted with the final ICAP application.

| | | |
|--------------------------------|-------|---------------------|
| PRINT NAME | TITLE | DATE OF APPLICATION |
| SIGNATURE OF PRIMARY APPLICANT | | |

The Department of Finance reserves the right to ask for additional information to determine eligibility for ICAP benefits.

Ready to search for certified firms? Visit 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 their products or services. For complete ICAP Benefit Schedules, visit nyc.gov/finance

ICAP Industrial and Commercial Abatement PRELIMINARY APPLICATION

The ICAP M/WBE Compliance Report must be submitted with the Final 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.

5. MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE FIRMS SOLICITED

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 visit the City's Online Directory of Certified Businesses. To search for firms by commodity codes, locations, and keywords, go to www.nyc.gov/buycertified.

For projects over \$750,000, ICAP applicants must indicate below which outreach activities they have performed. Please note: Applicants must keep detailed records of the outreach activities accessible at their place of business.

Project is less than \$750,000 Project is more than \$750,000 (see Outreach Activities below)

Outreach Activities (check all that apply):

- Advertised opportunities to participate in the project in general circulation media, trade and professional association publications, 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 below).

6. MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES (M/WBE) COMPLIANCE REPORT

Subcontract Description 1

Amount

| NAME AND ADDRESS OF SOLICITED M/WBE FIRMS | | SOLICITED MM/DD/YY | Amount | |
|---|---|-----------------------|-----------------------|---------------------|
| | | | RESPONDED MM/DD/YY | AWARDED MM/DD/YY |
| 1. | Source _____ Name _____ Phone _____ | | | |
| 2. | Source _____ Name _____ Phone _____ | | | |
| 3. | Source _____ Name _____ Phone _____ | | | |

Subcontract Description 2

Amount

| NAME AND ADDRESS OF SOLICITED M/WBE FIRMS | | SOLICITED MM/DD/YY | RESPONDED MM/DD/YY | AWARDED MM/DD/YY |
|---|---|-----------------------|-----------------------|---------------------|
| 1. | Source _____ Name _____ Phone _____ | | | |
| 2. | Source _____ Name _____ Phone _____ | | | |
| 3. | Source _____ Name _____ Phone _____ | | | |

Subcontract Description 3

Amount

| NAME AND ADDRESS OF SOLICITED M/WBE FIRMS | | SOLICITED MM/DD/YY | RESPONDED MM/DD/YY | AWARDED MM/DD/YY |
|---|---|-----------------------|-----------------------|---------------------|
| 1. | Source _____ Name _____ Phone _____ | | | |
| 2. | Source _____ Name _____ Phone _____ | | | |
| 3. | Source _____ Name _____ Phone _____ | | | |