

CRP Commercial Revitalization Program

Administering Agency: NYC Department of Finance

www.nyc.gov/html/dof/html/property/property_tax_reduc_revitalization.shtml

Program Description

Real estate tax abatement for new, renewal or expansion leases involving office or retail space in Lower Manhattan.

Benefits

Description of Benefits

For leases of 3 or 4 years:

- 3-year real estate tax abatement equal in the first year to the lesser of
 - actual tax liability, and
 - \$2.50 PSF with a 2-year phase-out thereafter.

For leases of 5 years or more:

- 5-year real estate tax abatement equal in the first 3 years to the lesser of
 - actual tax liability, and
 - \$2.50 PSF with a 2-year phase-out thereafter.

Example Benefits Calculation

XYZ Corporation, a financial services firm with 300 employees, signs a 10-year lease for 100,000 SF in Lower Manhattan at \$30 PSF. Without benefits, its annual real estate tax liability would be \$10 PSF, or \$1,000,000.

Year	CRP Abatement Percent*	CRP Property Tax Abatement
1	100%	\$ 250,000
2	100%	\$ 250,000
3	100%	\$ 250,000
4	67%	\$ 166,667
5	33%	\$ 83,333
Total (Nominal)		\$ 1,000,000
NPV (6.25%)		\$ 857,494

As shown above, CRP will result in an aggregate savings of \$1,000,000 in real estate taxes over 5 years.

* CRP Abatement Percent is the percentage of the initial year's benefit that is available each year.

Eligibility & Tips

Eligibility

- **Location** – The premises must be (a) in Lower Manhattan, between Murray Street and Frankfort Street on the north, South Street on the east, Battery Place on the south, and West Street on the west; (b) in a building built before January 1, 1975; and (c) used as offices or retail space.
- **Expenditures** - Leasehold expenditures for improvements must be at least (a) \$5 PSF for new and renewal leases of less than 10 years; (b) \$10 PSF for renewal leases of 10 years or more involving only previously occupied space; and (c) \$35 PSF for new leases of 10 years or more and renewal leases of 10 years or more involving expansion space.
- **Lease** - Minimum lease term must be at least (a) 3 years if 125 people or fewer will be employed in the premises; or (b) 10 years if more than 125 will be employed in the premises.
- **Lease** - Lease must (a) start by March 31, 2016; and (b) not be a sublet or license agreement.
- **Lease** - Lease must provide that (a) any abatement of real estate taxes will be passed through to tenant; and (b) required leasehold expenditures will be made.
- **Restriction** - Tenant must not have accessed CRP previously for any space (except that, if tenant expands into new space and continues to occupy space for which CRP was accessed, tenant can receive benefits on expansion space).
- **Restriction** - Not available to businesses that relocate to Lower Manhattan from north of 96th Street or from Brooklyn, Queens, the Bronx, and Staten Island.

Tips

- Applications must be filed before lease is signed and/or leasehold improvements are made. Failure to file the application within 180 days of lease commencement will result in the denial of benefits.
- For a new lease, evidence of leasehold expenditures and number of employees in premises must be submitted to the Department of Finance (DOF) within 60 days of rent commencement.
- For a renewal lease, evidence of leasehold expenditures must be submitted to DOF within 14 months of lease commencement and evidence of number of employees in premises must be submitted to DOF within 60 days of rent commencement.
- Similar benefits are available in Manhattan north of 96th Street and outside of Manhattan under the Commercial Expansion Program (CEP).