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## Commercial Expansion Program Credit for Industrial & Manufacturing Businesses

The Commercial Expansion Program (CEP) provides a rent credit to businesses that relocate and expand in targeted areas of the City. The program was recently revised to exempt industrial businesses from certain eligibility restrictions, including phase out schedules and restrictions on building age and size.

### Benefit:

- A credit up to \$2.50 psf is applied against a qualified tenant's monthly rent. Landlords receive the credit as a reduction against their real estate property taxes and are required to pass the savings on to the tenant.
- The benefits of the program equals the length of the lease up to ten years.

### Who is Eligible:

- Businesses must have entered into an agreement after July 1<sup>st</sup>, 2005 to lease eligible space for at least three years
- Tenants signing new, expansion or renewal leases in non-residential building in areas that are zoned C4, C5, C6, M1, M2, or M3 within the Bronx, Brooklyn, Queens, or Staten Island, and Manhattan north of 96th Street, as well as a Special Garment Center District.

### When to Apply:

- Within 180 days of the earlier of taking occupancy or execution of the lease.
- A completed Commercial Expansion Program application, with Proof of Expenditure and Proof of Employment forms, and a \$500 application fee must be submitted to the Department of Finance.

### Requirements:

- Firms must be engaged in industrial and manufacturing activities involving the assembly of goods to create a different article, or the processing, fabrication or packaging of goods.
- Eligible businesses must have been conducting substantial business operations continuously during the past 24 months immediately preceding the relocation.
- Individual condominium units in eligible buildings are considered separate eligible buildings.
- Minimum expenditures of \$2.50 per square foot are required for all new and expansion leases.
- A renewal lease for space previously occupied by the same tenant requires a minimum expenditure of \$5 per square foot. When a renewal lease includes additional space that was not previously occupied by the tenant, the minimum expenditure for that additional space is \$2.50 per square foot.

### More Information

For general questions about this business incentive program and others available to NYC businesses, dial 311 and ask for Business Solutions.