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Jersey City Files Suit Against the Port Authority of New York and New Jersey for \$400 Million of Missed Tax Payments; City to also Pursue Legal Action to Block Waste Transfer Station at Greenville Yards

JERSEY CITY – Mayor Steven M. Fulop announced today that the City has formally filed suit against the **Port Authority of New York and New Jersey** to reclaim approximately **\$400 million in missed tax payments** after preliminary discussions over several months to settle the matter proved unsuccessful. The City also intends to pursue legal action to block an \$118 million waste transfer station at Greenville Yards if the Port Authority is unwilling to pay host transfer fees to the City to cover increased costs of services.

“Our attorneys engaged in preliminary discussions to settle these matters outside of court, however, those discussions did not resolve the issues between the City and the Port Authority,” said **Mayor Fulop**. “We are moving forward with the lawsuit to ensure Jersey City receives its fair share in taxes from the Port Authority. We will not be bullied or pushed around.”

At the heart of the matter is the fact that the Port Authority owns 40 properties in Jersey City, yet pays no real estate taxes on any of them. The properties would currently yield approximately \$18 million annually in real estate taxes, and historically would have generated more than \$315 million in additional tax revenue.

The City receives no revenue from the Port Authority with respect to 33 of the 40 Port Authority properties, while the remaining seven are the subject of PILOT agreements between the Port Authority and the City which generate payments-in-lieu-of taxes in the amount of only \$2.2 million annually, which is grossly inadequate.

For example, for Journal Square PATH Plaza, purchased by the Port Authority in 1967, the agency only pays \$87,000 in annual PILOT payments, whereas the current assessed tax rate is \$9.5 million.

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Another issue for the City is that Greenville Yards in Jersey City is soon to be the subject of a \$118 million Port Authority redevelopment project to create a barge to rail transfer station for New York City garbage. This facility would create added strains on City resources and the Port Authority is declining to pay the City a host transfer fee to offset the added costs, which is common practice for these operations. Additionally, the City is receiving in PILOT payments barely half of what the current taxes would be for the Greenville Yards.

“We have learned from our experience with rail line law about the City’s rights and we feel comfortable that how the Port Authority acquired properties and how it uses them will not be upheld,” said **Mayor Fulop**. “We will begin the long legal process of blocking this facility as well.”

In the complaint filed by the City in U.S. District Court, Jersey City seeks declaratory relief regarding the Port Authority’s position that it has no obligation to pay real estate taxes or make fair and reasonable PILOT payments to the City. The City also seeks an accounting, the appointment of a special master, reformation of existing PILOT agreements and the execution of additional PILOT agreements, the disgorgement of properties, compensation for the City’s undue loss of taxes, and the immediate production of documents requested months ago from the Port Authority relating to Port Authority-owned properties in the City and to the Port Authority’s disparate treatment of properties in other municipalities.

“We feel confident we have a strong case against the Port Authority and will prevail on behalf of the Jersey City taxpayers,” said **Mayor Fulop**. “This type of inequity cannot continue and we are prepared to demonstrate how the people of Jersey City have been caused undue economic harm over the years. This is not just an issue of the Port Authority failing to pay ample taxes, it speaks to the larger issue of how the politics at the Port Authority have continued to negatively impact the residents of Jersey City and New Jersey.”

All media inquiries should be directed to Jennifer Morrill, Press Secretary to Mayor Steven M. Fulop at 201-547-4836 or 201-376-0699.////