



CITY OF JERSEY CITY

STEVEN M. FULOP, MAYOR

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## *Mayor Fulop Announces Recovery of \$2.3 Million from Developer; Prior Administration Failed to Collect Payments for Six Years*

JERSEY CITY – As a result of an **aggressive audit of tax abatements** by **Mayor Steven M. Fulop**, the **Jersey City Law Department**, and the **Jersey City Tax Collector**, the City recently **recovered \$2.3 million from a developer** who had failed to make payments owed as part of its tax abatement with the City.

“What we are finding as we conduct these abatement audits is that the prior administration literally left millions of dollars on the table,” said **Mayor Fulop**. “These are tax dollars that could be used to put cops on the street, fund recreation programs, pave roads, or simply lower the amount of taxes paid by our residents. Failure to collect this money is unacceptable and we are going to hold these developers accountable.”

The City recently demanded payment from **EQR Lincoln Urban Renewal Entity**, in connection with properties known as Hudson Point (143 Warren Street) and North Pier, for monies due and owing the City on excess profits generated on these tax abated properties. The City anticipates taking similar actions against other developers in violation of their abatements.

Under New Jersey’s **Long Term Exemption Law (LTTE)**, developers who are awarded tax abatements are limited in what they can earn in profits. If they exceed that limit, LTTE requires the developer to share excess profits with the City. On an annual basis, the City is to review the developer’s annual audited financial statement and use a calculation set by the state law to determine the City’s excess profits share. A demand is then generated for the City’s share of excess profits. However, this was not done for several years.

“Developers who have received tax abatements from the City should be on notice that we will be enforcing their contracts to ensure the City is collecting everything it is owed and if legal action is required we are prepared to take that action,” said **Corporation Counsel Jeremy Farrell**.

On July 20, 2000, EQR was awarded a 20-year tax abatement. For the first seven years no excess profit was generated, however, beginning in 2007, EQR’s financial audit shows an excess profit. Nevertheless, EQR did not voluntarily turn over to the City its share of excess profits. As the prior administration was not engaged in enforcing tax abatements, it failed to collect the City’s share of EQR’s excess profits for several years.

“Enforcing tax abatements is a priority for my administration and the rest of our taxpayers deserve nothing less,” said **Mayor Fulop**.

**All media inquiries should be directed to Jennifer Morrill, Press Secretary for the City of Jersey City, at 201-547-4836 or 201-376-0699.////**

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