

Divided Jersey City City Council grants Goya Foods a 20-year tax break

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By Terrence T. McDonald/The Jersey Journal

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Jersey City Councilman Steven Fulop tonight voted against a 20-year tax break granted by a divided council to Goya Foods.

A divided Jersey City City Council tonight formally approved a 20-year tax break for Goya Foods' proposed Jersey City headquarters and distribution center, with two members voting against and two abstaining.

City officials and a Goya representative defended the deal, saying it will bring hundreds of permanent jobs and temporary construction jobs to the city.

Councilwoman-at-Large Kalimah Ahmad, making her final appearance as a council woman after losing Tuesday's special election, voted in favor, and said residents opposed to the deal are being "fooled."

"Tax abatements are incentives for businesses to come here and to build here," Ahmad said.

But a handful of residents, and impassioned Downtown Councilman Steve Fulop, argued that the 20-year tax abatement is nothing more than a giveaway to a billion-dollar corporation. The Spanish foods giant would save \$8 million over the course

of 20 years under the deal.

"Can they create more jobs? Sure," Fulop said tonight. "Is there any guarantee that they go to Jersey City residents? No."

Ahmad joined council members Peter Brennan, Bill Gaughan, Nidia Lopez and Michael Sottolano in favor of the deal. Fulop and Councilwoman Viola Richardson voted no, while council members David Donnelly and Ray Velazquez abstained from voting.

Goya is expected to start constructing the proposed Jersey City facility in spring 2012, on a 40-acre lot on County Road, about 2 miles south of its current Secaucus headquarters.

The company would pay \$806,400 for the first six years of the agreement, \$892,950 for the subsequent six years and \$979,500 for the final eight, according to the agreement approved tonight.

With no deal, Goya, which reportedly made \$1.5 billion in revenue in 2009, would pay about \$1.3 million annually in property taxes, according to city spokeswoman Jennifer Morrill.

Goya is also set to receive \$81.9 in additional tax breaks from the state, which state officials said would help keep jobs in New Jersey.

Six residents, including three failed political candidates, raised objections to the deal, saying Goya needs no tax break. Frequent administration critic Yvonne Balcer referred to the global Occupy Wall Street movement in her comments.

"What we're doing, again, is to protect that 1 percent," Balcer said, adding that Goya's owners are "very rich."

James McCann, an attorney representing Goya, tonight defended the state tax break, without touching specifically on the city's deal. Goya will only receive the \$81.9 tax credit after 10 years, McCann said.

"It's not a grant," he said. "They don't get cash. It's not a form of financing. It is not a low-interest loan. It is an incentive to bring its facility to Jersey City."