

Mayor Menino's PILOT Task Force

Hearing Minutes – April 27, 2009

The PILOT Task Force held a public hearing in the month of April. The hearing commenced at 6:00pm in the Boston Public Library's Boston Room at the Copley Branch.

Task Force Chairman Stephen Kidder introduced the Task Force members in attendance and opened with a brief overview of the Task Force and the City of Boston's PILOT program. Attendees were then invited to speak on PILOT-related topics, with each testimony limited to 3-5 minutes.

Speakers:

Rich Doherty, President, Association of Independent Colleges and Universities in MA (AICUM)

- Overall public benefit that colleges provide is the leading justification for being tax-exempt.
- Colleges under Association of Independent Colleges and Universities provide:
 - 52,000 jobs
 - \$5 billion in salaries
 - \$200 million to the State in income taxes
 - significantly impact other jobs in the City
- 19 Colleges own 1.5% of land in Boston.
- Colleges pay real estate taxes on taxable parcels.
- Boston's PILOT program is the most successful in the country.
- Massachusetts contains more students in private rather than public colleges than any other state, therefore contributing to public education savings for taxpayers (ex: North Carolina spent \$1.7b more than Massachusetts in public higher education).
- Suggestion to the Task Force: allow the State to control the PILOT program. The State would therefore be responsible for providing local aid payments to cities and towns in which colleges are located.

Richard Orareo, Fenway-Area Resident

- Clemente Field was given to Emmanuel College by the City of Boston. Emmanuel College does not make a PILOT payment to the City.
- Museum of Fine Arts is in the process of a \$500 million expansion and contributes next to nothing to the City's PILOT program.
- Forsythe Institute "stole" a public park from the City to create a parking lot.
- A list of contributors and non-contributors to the City's PILOT program should be made public.
- Task Force has "hidden agendas" with committee meetings that should be open to the public.

- 3-5% of the actual tuition amount is cost to the university to offer a student a scholarship.

Marc Laderman, Fenway-Area Resident

- A list of contributors and non-contributors to the City's PILOT program should be made public.
- City should add Massport to the Exempt Property report.
- City should publish a report of Task Force meetings.

Robert Gittens, Vice-President, Public Affairs Office of Government Relations and Community Affairs, Northeastern University

- Northeastern indirectly provides \$350 million to Boston.
- Northeastern raises awareness on urban issues.
- Northeastern graduates more Boston Public School students than any other school in Massachusetts.
- Staff at Northeastern is municipally engaged through partnerships with community service foundations, charitable organizations, and by providing several educational opportunities for Boston area residents.

John Erwin, Executive Director, Conference of Boston-Area Teaching Hospitals

- 14 Hospitals under the Conference of Boston Area Teaching Hospitals:
 - Employ 70,000 people
 - Include 6 of the top 10 employers in Boston
 - Provide \$44 billion to the local economy, including enormous impacts on tourism and conventions
 - Positively impact lives through community partnerships and special programs including: Open Door to Health, Cancer Ride Program, and Students Success Jobs.

Sam Tyler, President, Boston Municipal Research Bureau

- PILOT payments are not a means for the City to gain substantial tax revenue.
- City needs to continue its efforts in improving assessed values for exempt property rather than focusing on land areas.
- 51% of land is tax-exempt, much of it is City or State owned. City should try to collect PILOT payments from the State.
- Educational/Medical institutions represent approximately 5% of the City's total land area.
- Educational/Medical institutions play a critical role in Boston.

Steve Wintermeier, Alliance of Boston Neighborhoods

- Property taxes have become an enormous burden for homeowners.
- Legislation at the State and Municipal level should require non-profits to make monetary payments to the City.

- City currently has a “spending” problem, incremental revenue approach places too much of the tax burden on homeowners.
- Boston spends more money per resident than any other City or Town in Massachusetts except for Cambridge. Boston spends \$4,000 per resident, while Cambridge spends approximately \$5,000 per resident.

Elissa Cadillac, President, AFSCME, Council 93, Local 1526 at the Boston Public Library

- PILOT payments must be mandatory.
- There are too many discrepancies in the PILOT amounts non-profit institutions pay - the City must collect payments that are fair and equitable across the board.
- Non-profits consume essential City services such as police, fire, and public works. Example: DPW works overtime to clean streets during busy student move-in periods.

Sarah Hamilton, Director of Area Planning and Development, MASCO

- City must consider the “true” value of non-profits and resist short term thinking.
- Longwood area is vibrant, creates jobs, etc.
- Non-profits under MASCO encourage student volunteerism, underwrite scholarships and create health centers (among other contributions).

Shirley Kressel, Alliance of Boston Neighborhoods

- Task Force meetings should be open to the public.
- Tax-exempt land area in the City is small but the value of tax-exempt land is high, approximately \$13 billion.
- All businesses make non-monetary contributions to the City in some way, but in the end, these types of contributions do not “pay the bills”.
- City should consider taxing non-profit owned sports venues, garages and other entities that generally produce income for institutions.
- PILOT payments should be regarded as offsets to the tax levy rather than additions.
- State should control the PILOT program and distribute local aid payments to cities and towns in which tax exempt institutions are located.
- City should negotiate PILOT contracts with the BRA because they own a great deal of land in Boston.

Kevin McCrea, South End Resident

- Discrepancies in PILOT payment amounts are not fair and equitable for the organizations who pay.
- City must pursue PILOT payments when non-profits file plans to build new construction projects.
- Boston should consider creating a report analyzing the impact tax-exempt institutions have on City services.

Questions Raised/General Discussion

- Stephen Kidder explained that the Task Force is in the process of studying the City's PILOT program and the role of non-profit organizations in Boston. As a result, a timeline for a decision or recommendation to the Mayor is currently not in place. Mr. Kidder also noted that the first Task Force meeting included a presentation on the PILOT program by the City's Assessing Department and the second meeting included a presentation by the Attorney General's Office on the legal interpretations of charities.
- Councilor Stephen Murphy conveyed that the City Council is currently working on three pieces of legislation concerning the PILOT program. Councilor Murphy stressed that non-profits consume essential City services and cited specific examples including: student riots, death benefit payouts, false alarm fire responses/calls, 40% of police calls in District D associated with college students, and others. Councilor Murphy also expressed that PILOT collections must be fair across the board among institutions and fair to the taxpayers of Boston.

The hearing adjourned at 7:30pm.