



PILOT Task Force Presentation

--- Educational and Medical Institution Tax-Exempt Property Data

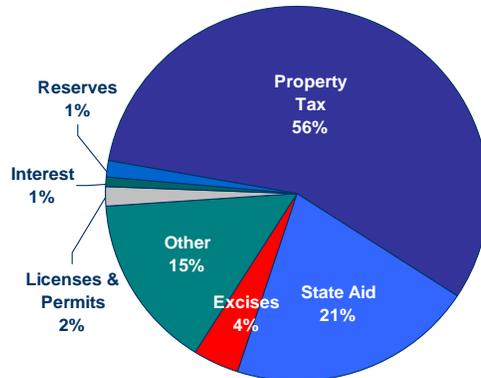


Overview

- Fiscal Challenges of Tax-Exempt Property
- Overview of the PILOT Program
- Assessment Data on Hospitals and Universities

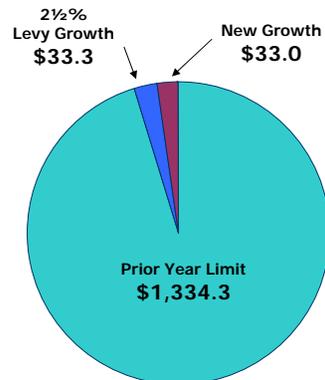


Property Tax Accounts for Over Half of Boston's Revenue



Property Tax Growth is Limited by Proposition 2 1/2

- 2.5% Increment:
\$33.3 million
- New Growth:
\$33.0 million
- Total Levy:
\$1.4 billion





Exempt Property Erodes the Base of the Property Tax



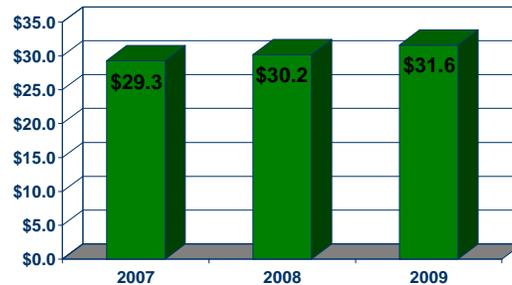
Background on PILOT Program

- PILOT program has existed close to its current format since the mid-1980s
- New payments are sought when institutions expand
- The “25% standard”
- Participation is voluntary



PILOT Program – Fiscal Year 2009

- The PILOT program will generate approx. \$31.6* million in Fiscal Year 2009

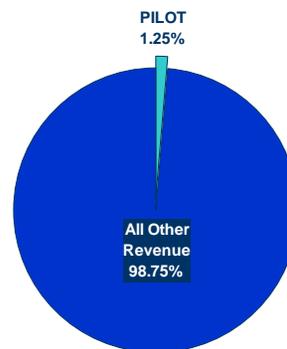


*Includes community service deductions



Good News, Bad News

- PILOT program is most successful in the country, yet.....
- ...it represents a small fraction of the City's total revenue





PILOT Program (cont.)

- Massport will contribute \$16.2 million.
- Educational institutions will contribute approx. \$8.6* million (6.8% more than FY08).
- Medical institutions will contribute approx. \$5.5* million (5.3% more than FY08).



Key Questions

- How much would each institution pay in property taxes if exempt property were taxable?
- How does each institution's PILOT compare to taxes on exempt property?



Exempt Property Valuation

- In Fall 2007, the City requested that all major educational and medical institutions provide detailed information on their real estate
- Assessors generated updated assessments using the data provided by the institutions
- New assessments were sent to institutions for feedback prior to their becoming final



Educational Institutions

Berklee College of Music	New England Law Boston
Boston College	Northeastern University
Boston University	Showa Institute
Emerson College	Simmons College
Emmanuel College*	Suffolk University
Fisher College*	Tufts University
Harvard University	Wentworth Institute of Tech
Mass College of Pharmacy	Wheelock College*

*No active PILOT agreement with the City of Boston



Educational Institutions

Colleges, Universities, and other schools:

- FY09 Total Tax-Exempt Value: **\$7.0 billion**
- FY09 Total Tax-Exempt SF*: **22.5 million**
- Tax-exempt educational properties would generate **\$190.8 million** if taxable.

*Does not include square footage for dormitories or parking lots



Medical Institutions

Beth Israel Deaconess	Faulkner Hospital*
Boston Medical Center	Mass Bio-Med Research Co
Brigham & Women's Hosp	Mass General Hospital
Caritas St. Elizabeth's*	NE Baptist Hospital*
Children's Hospital	Spaulding Rehab Hospital
Dana Farber Cancer Inst	Tufts Medical Center

*No active PILOT agreement with the City of Boston



Medical Institutions

Hospitals and other medical facilities:

- FY09 Total Tax-Exempt Value: **\$5.8 billion**
- FY09 Total Tax-Exempt SF: **15.0 million**
- Tax-exempt medical properties would generate **\$157.1 million** if taxable.



Summary

- If taxable, educational and medical tax-exempt property would have generated \$347.9 million in FY09.
- Estimated FY09 PILOT payments from educational and medical institutions is \$14.5 million.
- PILOT payments represent 4.2% of what institutions would pay if exempt property were taxable.