



CITY OF BOSTON, MASSACHUSETTS
Office of the Mayor
Thomas M. Menino

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Mayor Menino Announces Members of the PILOT Task Force

Leaders represent various sectors of business, education, and government

Mayor Thomas M. Menino today announced the appointment of members to the PILOT (Payment in Lieu of Taxes) task force. He unveiled this initiative during a speech to the Chamber of Commerce's government affairs forum in December. Mayor Menino acknowledged the critical role of public-private partnerships, noting that these relationships with universities, hospitals, and other non-profits are mutually beneficial for the City of Boston and the various institutions located here. However, under the current PILOT system, there are significant disparities in what various institutions contribute to the City. The task force will be responsible for reviewing the current system and making recommendations to create more equitable agreements in the future with the goal of strengthening the partnership between Boston and its non-profit institutions.

"This task force is not just about generating new revenue," Mayor Menino said. "This task force is about creating equity in our PILOT agreements, from in-kind services to scholarships and other community opportunities. A new formula to ensure fairness is necessary."

Working with Boston's Commissioner of Assessing Ronald Rakow, Mayor Menino selected task force members that represent leaders from Boston's colleges and universities, hospitals, non-profit community organizations, and government. Stephen Kidder, an attorney at Hemenway & Barnes LLP will chair the task force. Mr. Kidder was formerly the Commissioner of Revenue for the Commonwealth under Governor Dukakis. The Assessing Department will help to facilitate the task force's activities. Task force members include:

Colleges & Universities

- Robert Brown, President, Boston University
- Zorica Pantić, President, Wentworth Institute of Technology

Hospitals

- Patricia McGovern, General Counsel & Senior VP for Corporate and Community Affairs, Beth Israel Deaconess Medical Center

- Thomas Glynn, Chief Operating Officer, Partners Healthcare

Community Organizations

- Gail Latimore, Executive Director, Codman Square Neighborhood Development Corporation

Business Community

- James D. Gallagher, Senior VP of Communications, Government and Community Relations, John Hancock Financial Services
- Stephen Kidder, Attorney, Hemenway & Barnes LLP (Chair of the task force)

Labor Organizations

- Thomas Nee, President, Boston Police Patrolman's Association

Government

- Stephen Murphy, Councilor, Boston City Council

The task force is challenged with completing the following objectives:

- Set a standard level of contributions – in programs and payments – to be met by all major nonprofit land holders in Boston.
- Develop a standard methodology for valuing the community partnerships made by tax-exempt institutions.
- Propose a structure for a consolidated program and payment negotiation system, which will allow the City and its tax-exempt institutions to structure longer term, sustainable partnerships focused on improving services for Boston's residents.
- Clarify the costs associated with providing City services to tax-exempt institutions.
- If necessary, provide recommendations on legislative changes needed at the City or state level.

Boston's primary source of revenue is property taxes, and nearly 53% of Boston's land is tax-exempt. While the majority of this land is government-owned, universities, hospitals, and non-profit institutions are also tax-exempt. The current voluntary system of PILOT agreements, which dates back to a formula from the 1970s, allows the city to tax up to 25% of the institution's liability were it considered taxable. This formula must be restructured to account for current conditions.

In fiscal year 2008, PILOT revenue for the City was \$31.4 million. \$15.6 million of this revenue came from Massport, with the remaining \$15.8 million coming from universities, hospitals, and other non-profit institutions.

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