

Boston's PILOT Program Task Force Recommendations

- **PILOT program should remain voluntary.**

Task Force members hope the “spirit of partnership” continues to be a motivating force with payments in lieu of taxes. Members did not recommend changes to state law to establish legal or statutory requirements for non-profits.

- **PILOT program should be applied to all nonprofit groups.**

Task Force believed that all nonprofits should participate in the program. However, the Task Force determined that an exception should be made for smaller nonprofits that might lack the resources to fully engage in the PILOT process. Task Force members suggested a total property value threshold of \$15 million for program participation.

- **PILOT contributions should be based on the value of real estate owned by an institution.**

Payments should reflect the size and quality of the institution’s real estate holdings and be consistent with the approach taken for taxable properties. The Task Force believed that PILOTs should be calculated as 25% of what the nonprofit’s property would yield if taxable. It is suggested that each nonprofit receive an exemption of \$15 million in property value.

- **Give credit for community benefits offered by the institution.**

The Task Force recommended that a credit for Community Benefits should be limited to 50% of full PILOT payment. Examples of community benefits include public/community health initiatives, targeted scholarships for Boston Public School students, and summer jobs.

- **Give credit for property taxes paid on certain properties.**

Institutions would receive a credit on their PILOT in the amount of real estate taxes paid on properties that would ordinarily qualify for a tax exemption based on use.

- **Allow institutions and the City of Boston time to make adjustments that are in keeping with the new PILOT calculation formula.**

The Task Force suggests that a gradual approach will allow for a smooth transition to the new program and that the new formula should be phased in over a period not less than five years.

PILOT Requests for FY 2013

Educational Institutions	FY11 PILOT	Total Exempt Value	If Taxable	FY13 PILOT (Year 2)	Less Community Benefits Credit	Cash PILOT	1st Half PILOT Contribution	2nd Half PILOT Contribution	FY13 Total PILOT Contribution
Berklee College	\$ 151,331	\$ 149,334,523	\$ 4,635,344	\$ 546,113	\$ (273,056)	\$ 273,056	\$ 91,218	\$ 91,218	\$ 182,436
✓ Boston Architectural College	\$ -	\$ 19,056,500	\$ 591,514	\$ 12,591	\$ (6,296)	\$ 6,296	\$ 3,148	\$ 3,148	\$ 6,296
Boston College	\$ 297,571	\$ 526,217,533	\$ 16,333,792	\$ 1,722,872	\$ (861,436)	\$ 861,436	\$ 315,332	\$ -	\$ 315,332
Boston College High School	\$ -	\$ 27,176,500	\$ 843,559	\$ 37,796	\$ (18,898)	\$ 18,898	\$ 5,000	\$ -	\$ 5,000
Boston Conservatory	\$ -	\$ 24,609,000	\$ 763,863	\$ 29,826	\$ (14,913)	\$ 14,913	\$ 6,285	\$ -	\$ 6,285
✓ Boston University	\$ 5,082,079	\$ 1,985,306,623	\$ 61,623,918	\$ 12,086,745	\$ (6,043,373)	\$ 6,043,373	\$ 2,789,799	\$ 3,253,574	\$ 6,043,373
Catholic Memorial	\$ -	\$ 16,753,071	\$ 520,015	\$ 5,442	\$ (2,721)	\$ 2,721	\$ -	\$ -	\$ -
Emerson College	\$ 141,591	\$ 240,541,000	\$ 7,466,393	\$ 869,988	\$ (434,994)	\$ 434,994	\$ 70,795	\$ 70,796	\$ 141,591
Emmanuel College	\$ -	\$ 153,126,000	\$ 4,753,031	\$ 428,743	\$ (214,372)	\$ 214,372	\$ -	\$ -	\$ -
Fisher College	\$ -	\$ 42,819,500	\$ 1,329,117	\$ 86,352	\$ (43,176)	\$ 43,176	\$ -	\$ -	\$ -
Harvard University	\$ 2,109,293	\$ 1,522,337,601	\$ 47,253,359	\$ 7,203,589	\$ (3,601,795)	\$ 3,601,795	\$ 1,080,145	\$ 1,080,143	\$ 2,160,288
✓ Mass College of Pharmacy	\$ 242,252	\$ 109,297,000	\$ 3,392,579	\$ 583,400	\$ (291,700)	\$ 291,700	\$ 145,850	\$ 145,850	\$ 291,700
✓ NE College of Optometry	\$ -	\$ 25,065,500	\$ 778,033	\$ 31,243	\$ (15,622)	\$ 15,622	\$ 7,811	\$ 7,811	\$ 15,622
New England Conservatory	\$ -	\$ 31,627,000	\$ 981,702	\$ 51,610	\$ (25,805)	\$ 25,805	\$ 6,000	\$ -	\$ 6,000
Northeastern University	\$ 30,571	\$ 1,285,478,281	\$ 39,901,246	\$ 3,362,561	\$ (1,681,281)	\$ 1,681,281	\$ 443,000	\$ 443,000	\$ 886,000
Roxbury Latin School	\$ -	\$ 52,829,300	\$ 1,639,821	\$ 117,422	\$ (58,711)	\$ 58,711	\$ -	\$ -	\$ -
✓ Showa Institute	\$ 123,084	\$ 42,694,600	\$ 1,325,240	\$ 233,665	\$ (116,832)	\$ 116,832	\$ 58,416	\$ 58,415	\$ 116,831
Simmons College	\$ 15,000	\$ 139,730,000	\$ 4,337,219	\$ 405,162	\$ (202,581)	\$ 202,581	\$ 108,790	\$ -	\$ 108,790
Suffolk University	\$ 378,979	\$ 228,659,417	\$ 7,097,588	\$ 1,117,974	\$ (558,987)	\$ 558,987	\$ 280,000	\$ 121,700	\$ 401,700
✓ Tufts University	\$ 232,975	\$ 158,300,662	\$ 4,913,653	\$ 724,376	\$ (362,188)	\$ 362,188	\$ 187,500	\$ 187,500	\$ 375,000
✓ Wentworth Institute of Tech.	\$ 31,504	\$ 195,920,568	\$ 6,081,374	\$ 599,383	\$ (299,691)	\$ 299,691	\$ 150,273	\$ 149,419	\$ 299,692
Wheelock College	\$ -	\$ 54,656,000	\$ 1,696,522	\$ 123,092	\$ (61,546)	\$ 61,546	\$ -	\$ -	\$ -
Winsor School	\$ -	\$ 41,283,900	\$ 1,281,452	\$ 81,585	\$ (40,793)	\$ 40,793	\$ -	\$ -	\$ -
TOTAL	\$ 8,836,231	\$ 7,072,820,079	\$ 219,540,335	\$ 30,461,531	\$ (15,230,765)	\$ 15,230,765	\$ 5,749,362	\$ 5,612,573	\$ 11,361,935

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PILOT Requests for FY 2013

	FY11 PILOT	Total Value	If Taxable	FY13 PILOT (Year 2)	Less Community Benefits Credit	Cash PILOT	1st Half PILOT Contribution	2nd Half PILOT Contribution	FY13 Total PILOT Contribution
Medical Institutions									
✓ Beth Israel Deaconess	\$ 167,000	\$ 813,129,901	\$ 25,239,552	\$ 2,677,795	\$ (1,338,898)	\$ 1,338,898	\$ 669,450	\$ 669,448	\$ 1,338,898
✓ Boston Children's Hospital	\$ 111,921	\$ 660,688,500	\$ 20,507,771	\$ 1,549,943	\$ (774,971)	\$ 774,971	\$ 395,474	\$ 379,497	\$ 774,971
✓ Boston Medical Center	\$ 137,625	\$ 316,884,600	\$ 9,836,098	\$ 1,260,325	\$ (945,244)	\$ 315,081	\$ 157,583	\$ 157,498	\$ 315,081
✓ Brigham and Women's Hosp.	\$ 1,538,506	\$ 778,485,535	\$ 24,164,191	\$ 4,216,066	\$ (2,108,033)	\$ 2,108,033	\$ 1,054,017	\$ 1,054,017	\$ 2,108,034
✓ Dana Farber Cancer Institute	\$ 99,972	\$ 248,137,603	\$ 7,702,191	\$ 843,626	\$ (421,813)	\$ 421,813	\$ 210,908	\$ 210,906	\$ 421,814
✓ Faulkner Hospital	\$ -	\$ 161,998,100	\$ 5,028,421	\$ 456,282	\$ (228,141)	\$ 228,141	\$ 114,071	\$ 114,071	\$ 228,142
Franciscan Hospital	\$ -	\$ 50,402,000	\$ 1,564,478	\$ 109,888	\$ (54,944)	\$ 54,944	\$ -	\$ -	\$ -
✓ Harvard Vanguard	\$ 294,886	\$ 109,848,200	\$ 3,409,688	\$ 648,272	\$ (324,136)	\$ 324,136	\$ 162,068	\$ 162,068	\$ 324,136
Hebrew Rehabilitation Ctr	\$ -	\$ 53,017,000	\$ 1,645,648	\$ 118,005	\$ (88,504)	\$ 29,501	\$ 7,500	\$ -	\$ 7,500
Joslin Diabetes Center	\$ -	\$ 86,293,700	\$ 2,678,556	\$ 221,296	\$ (110,648)	\$ 110,648	\$ -	\$ -	\$ -
✓ Mass Eye & Ear Infirmary	\$ -	\$ 115,681,400	\$ 3,590,751	\$ 312,515	\$ (156,258)	\$ 156,258	\$ 78,129	\$ 78,129	\$ 156,258
✓ Mass General Hospital	\$ 2,668,355	\$ 1,786,642,729	\$ 55,457,390	\$ 8,701,205	\$ (4,350,602)	\$ 4,350,602	\$ 2,174,980	\$ 2,175,622	\$ 4,350,602
✓ New England Baptist Hosp.	\$ -	\$ 134,481,973	\$ 4,174,320	\$ 370,872	\$ (185,436)	\$ 185,436	\$ 92,718	\$ 92,718	\$ 185,436
Shriners Hospital	\$ -	\$ 106,097,400	\$ 3,293,263	\$ 282,766	\$ (141,383)	\$ 141,383	\$ -	\$ -	\$ -
✓ Spaulding Rehab Hospital	\$ 78,919	\$ 133,914,900	\$ 4,156,718	\$ 468,815	\$ (231,907)	\$ 231,907	\$ 115,954	\$ 115,953	\$ 231,907
Tufts Medical Center	\$ 910,720	\$ 506,151,700	\$ 15,710,949	\$ 2,457,075	\$ (1,228,537)	\$ 1,228,537	\$ 390,482	\$ 648,746	\$ 1,039,228
TOTAL	\$ 6,007,904	\$ 6,061,855,241	\$ 188,159,987	\$ 24,689,745	\$ (12,689,455)	\$ 12,000,290	\$ 5,623,334	\$ 5,858,673	\$ 11,482,007

	FY11 PILOT	Total Value	If Taxable	FY13 PILOT (Year 2)	Less Community Benefits Credit	Cash PILOT	1st Half PILOT Contribution	2nd Half PILOT Contribution	FY13 Total PILOT Contribution
Cultural Institutions									
Bayridge Center	\$ 17,884	\$ 29,788,000	\$ 924,620	\$ 67,363	\$ (33,681)	\$ 33,681	\$ 8,942	\$ 8,942	\$ 17,884
✓ Boston Symphony Orchestra	\$ 84,976	\$ 29,178,062	\$ 905,687	\$ 145,980	\$ (72,990)	\$ 72,990	\$ 36,495	\$ 36,495	\$ 72,990
Children's Museum	\$ -	\$ 31,029,000	\$ 963,140	\$ 49,754	\$ (24,877)	\$ 24,877	\$ -	\$ -	\$ -
✓ Gardner Museum	\$ -	\$ 24,936,816	\$ 774,039	\$ 15,422	\$ (7,711)	\$ 7,711	\$ 3,857	\$ 11,566	\$ 15,423
Inst. of Contemporary Art	\$ -	\$ 37,162,500	\$ 1,153,524	\$ 68,792	\$ (34,396)	\$ 34,396	\$ -	\$ -	\$ -
✓ MASCO	\$ 133,778	\$ 50,947,000	\$ 1,581,395	\$ 272,113	\$ (136,056)	\$ 136,056	\$ 68,030	\$ 68,028	\$ 136,058
Museum of Fine Arts	\$ 66,220	\$ 282,450,999	\$ 8,767,279	\$ 904,921	\$ (452,460)	\$ 452,460	\$ 29,676	\$ 27,925	\$ 57,601
Museum of Science	\$ -	\$ 34,903,500	\$ 1,083,405	\$ 61,780	\$ (30,890)	\$ 30,890	\$ -	\$ -	\$ -
New England Aquarium	\$ -	\$ 70,176,100	\$ 2,178,266	\$ 171,267	\$ (85,633)	\$ 85,633	\$ -	\$ -	\$ -
✓ WGBH	\$ -	\$ 49,902,500	\$ 1,548,974	\$ 108,337	\$ (54,169)	\$ 54,169	\$ 54,169	\$ -	\$ 54,169
TOTAL	\$ 302,858	\$ 640,474,477	\$ 19,880,328	\$ 1,865,730	\$ (932,865)	\$ 932,865	\$ 201,169	\$ 152,956	\$ 354,125

GRAND TOTAL \$15,146,992 \$13,775,149,797 \$427,580,650 \$57,017,005 (\$28,853,085) \$28,163,920 \$11,573,865 \$11,624,202 \$23,198,067

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