

September 2013

## New PILOT Program Raises Receipts in Second Year

*PILOTs from private tax-exempt institutions increase by 53% from FY11*

The City of Boston’s new payment-in-lieu-of-taxes (PILOT) program for large private tax-exempt institutions resulted in total payments of \$23.2M in FY13, an increase of \$8.1M or 53.2% over the actual receipts in FY11. The new program applies to the largest 49 private tax-exempt institutions with property values of \$15M or more.

While this growth is noteworthy, it is below the City’s request as part of its five-year ramp-up plan, but that is not unexpected. In its [Special Report](#) on the PILOT program in January of 2013, the Bureau noted that given the voluntary nature of the program, reaching agreement with some institutions would take time to evolve.

The first year of the program in FY12 resulted in an increase of payments of \$4.3M to \$19.5M or 90.7% of the goal. In FY13, an additional \$3.7M was raised over FY12 actuals or 82.4% of the City’s goal.

### PILOT Payments FY11-FY13

\$ in 000's

Category	FY11	FY13	Increase	%
Medical	\$6,008	\$11,482	\$5,474	91.1%
Educational	\$8,836	\$11,362	\$2,526	28.6%
Cultural	\$151	\$200	\$49	32.4%
Other	\$152	\$154	\$2	1.5%
Total	\$15,147	\$23,198	\$8,051	53.2%

**Educational Institutions** In FY13, 17 of 23 educational institutions made PILOT payments with the New England Conservatory and Boston Conservatory both making their first payment.

Only seven institutions made 100% of their PILOT payment, down from eleven in FY12.

### PILOT Payments FY12 & FY13

\$ in 000's

Category	Fiscal 2012		
	Request	Payment	%
Medical	\$9,023	\$8,693	96.3%
Educational	11,794	10,420	88.3%
Cultural	474	187	39.5%
Other	161	153	95.1%
Total	\$21,452	\$19,453	90.7%

Category	Fiscal 2013		
	Request	Payment	%
Medical	\$12,000	\$11,482	95.7%
Educational	15,231	11,362	74.6%
Cultural	763	200	26.2%
Other	170	154	90.7%
Total	\$28,164	\$23,198	82.4%

**Medical Institutions** In FY13, 13 of 16 medical institutions made PILOT payments with 11 paying 100% of the amount requested. The medical institutions, in aggregate, paid 95.7%, of the goal in FY13, down slightly from 96.3% in FY12.

**Cultural Institutions** Most of the eight cultural institutions rely heavily on annual revenue from attendance and sponsorships and provide extensive community services which has contributed to their reluctance to fully engage in the PILOT program. Four of the eight institutions made PILOT payments in FY13, three at 100%.