



September 12, 2019

Dear Friend,

Over the course of this campaign there has been a significant amount of discussion about how to reform the [Payment in Lieu of Taxes \(PILOT\)](#) process between the city and its major non-profits, with a particular focus on Boston's colleges and universities. These calls for reform stem from the fact that Bostonians have felt PILOT has not lived up to its promise of creating better, more engaged & responsible civic partners out of these institutions. **We can make PILOT work better, but only if we take a new and more creative approach in how we think about and execute it.**

At its core PILOT asks for two things. The first is direct cash compensation to the city. This is based on valuations equivalent to about 12.5% of what they would have paid in real estate taxes in fiscal year 2009. This is an area where we consistently see underpayment of the already significantly discounted rate. Everyday taxpayer's rates are calculated on values today, what we ask of these institutions should be as well. **We should be asking for more and receiving it.**

The second is "community benefits" that institutions provide. Organizations have been given wide latitude in how to define and value these, with some being of broader utility to the city than others. This is where we have the greatest ability to make change. **Which is why I have proposed a plan for targeted local procurement as a new component of the community benefits portion of PILOT.**

This proposal provides an incentive to institutions with PILOT agreements to purchase their goods and services directly from small businesses in Boston. Specifically the incentive would credit every dollar spent at a recognized small business, plus an added percentage bonus, towards the requested PILOT community benefits contribution. If these organizations patronize businesses owned and operated by historically under-invested groups (women, people of color, veterans, persons with disabilities, LGBTQIA+, etc.) that percentage would be increased accordingly.

This plan works because it changes the tone of the PILOT conversation from its current orientation, where the city and institutions face off as combatants, to one where they are working together to direct resources into neighborhoods and uplift local small businesses – which are vital for community health and development. It also works because the scale of the needs of these institutions is typically larger than any one small business has capacity for, which helps ensure that more of them have opportunity. This is the kind of approach to creative policymaking and collaborative problem solving I want to bring to the City Council.

I look forward to hearing your feedback on this important issue. Reach out to us on social media using "@VoteHalbert" and at [info@davidhalbert.com](mailto:info@davidhalbert.com).

Thank you.

- David