

Citizens League  
St. Paul Payment In Lieu of Taxes (PILOT) Task Force  
July 27, 2017 Meeting #9

The Citizens League's Saint Paul Payment In Lieu of Taxes (PILOT) Task Force is nearing the end of their deliberations over the question: Should the City of Saint Paul create and implement a PILOT/Services In Lieu of Taxes (SILOT) program for tax-exempt entities? During the penultimate meeting on July 27, the committee cast a handful of non-binding votes to get a sense of what their collective recommended answer may be.

The previous eight weeks of work has included hearing presentations from city finance officials, experts, and stakeholders; studying data from Saint Paul, Ramsey County and Boston; reading reports and articles; and debating the pros and cons of PILOT programs. During this, the ninth meeting, the group heard from two audience members: an advocate for using some revenue from a Saint Paul PILOT to support public schools; and, an attorney suggesting that any formula the city may use to determine PILOT payments should be based on property value rather than linear front footage. A committee member also reported to the group that five Saint Paul-based private colleges have been meeting to discuss their concerns about a PILOT program. The committee cited that stakeholder work saying they hope other stakeholder groups will follow the colleges' example and initiate conversations.

The final report from the committee will be structured in a way that presents data, conclusions drawn from the information, and recommendations. On July 27, the committee considered a draft outline for the latter section. The following sections could be included: Jurisdiction; Threshold for Participations; Formula for determining an PILOT amount a tax-exempt entity might be expected to pay; Earmarking of PILOT payments; the State Role in setting standards for PILOT programs; the city's Tax Capacity; Coercion (perceived forcing of tax-exempt entities to participate in a Voluntary PILOT program); determining Community Benefit of tax-exempt entities; and, the Administrative Burden bourn by the city and the tax-exempt entity.

Discussions and straw votes indicate the group is moving toward consensus, if not unanimity. Citizens League staff are folding the committee's comments and straw votes into the draft final report and recommendations, which the PILOT Task Force will consider during their tenth and final meeting.

The last Citizens League PILOT Task Force will be on August 3, 7:30-10:30 a.m., at the Wilder Foundation, 451 Lexington Parkway, St. Paul. The meeting is open to the public.

Previous agendas, minutes, and background material can be found on the Citizens League website, <https://citizensleague.org/what-we-do/policy/pilotsilot-project/>.