

Citizens League
St. Paul Payment In Lieu of Taxes (PILOT) Task Force
July 20, 2017 Meeting #8

With two scheduled Thursday morning meetings to go, the Citizens League's Saint Paul Payment In Lieu of Taxes (PILOT) Task Force has moved closer to completing a report that will be delivered to the City of Saint Paul in August. The committee has been asked to make a recommendation on whether Saint Paul should create and implement a PILOT/Services In Lieu of Taxes (SILOT) program for tax-exempt entities.

Since the task force gathered on July 13, the co-chairs, Joe Reid and Kaye Rakow, and Citizens League Executive Director Sean Kershaw met with Saint Paul City Council President Russ Stark and Kristin Beckmann, deputy mayor, to brief them on the progress of the committee, per the Citizens League's standard method of operation. Similar meetings to inform each member of the City Council will be scheduled before the final report is released to the general public.

On July 20, the committee returned to their discussion of what will eventually take shape as the structure and content of the final report. Roughly speaking, the report will begin with background information about the legal situation that led the city council and mayor to ask the Citizens League to initiate the study and make recommendations. The report will present collected Facts and committee Findings as well as Conclusions and Recommendations. While such Citizens League processes seek consensus, full committee agreement is not required. The final report may or may not include a minority report. In any event, the report will be based on thorough research and plenty of input from the committee and observers.

To that end, the committee reconvened its discussion of their Findings and identified areas where more facts, data interpretation and wordsmithing may be needed.

Before launching into a discussion of several draft proposed Conclusions, the committee cast an anonymous, non-binding vote to "test the waters." As of now:

- 25% said they favor a PILOT program;
- 40% would favor PILOT with specific criteria;
- 20% are likely to oppose PILOT unless criteria are established; and,
- 15% are completely opposed to PILOT.

In a separate vote, the committee indicated:

- 15% said they favor a SILOT program;
- 50% would favor SILOT with specific criteria;
- 20% are likely to oppose SILOT unless criteria are established; and,
- 15% are completely opposed to SILOT.

The Conclusions section of the report is likely to be divided into four categories:

- Conclusions Relating to the Merits/Justification of a St. Paul PILOT Program;

- Conclusions Relating to Conditions Necessary to Establish a Successful PILOT Program;
- Conclusions Relating to PILOT/SILOT Design; and,
- Conclusions Relating to Potential State Actions.

The committee considered, then cast straw votes on 19 proposed Conclusions. Some were tabled so staff can rework content and/or intent. The anonymous votes on the other points let the committee see how close or far away they are from consensus.

When the committee meets on Thursday, July 27, the few remaining proposed Conclusions will be discussed; then, the group will begin to work on draft Recommendations.

On August 3, if all goes to plan, deliberations will end and a final report will have been created. Given the hearty discussions of all meetings to date, the group is anticipating that final meeting will last longer than the usual two hours.

The next meeting, Thursday, July 27, is set for 7:30 - 9:30 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/>.