

**City of Northampton**  
**MASSACHUSETTS**

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In City Council November 19, 2015

Upon the recommendation of Mayor David J. Narkewicz

**Northampton Payment In Lieu Of Taxes (PILOT) Program**

WHEREAS, the City of Northampton's large nonprofit sector plays an important role in our success as a regional center for education, business, law, medicine, social services, and the arts, but the significant amount of property held in tax-exempt status presents unique challenges to our tax base;

WHEREAS, the percentage of total property value in the City of Northampton that is tax-exempt is 22.37%, which is the 5<sup>th</sup> highest among cities in Massachusetts behind only Worcester, Cambridge, Chelsea, and Boston;

WHEREAS, Northampton's high percentage of tax-exempt property combined with an increased reliance on the property tax for local revenue significantly impacts the city's ability to fund municipal services;

WHEREAS, the Mayor's multi-year fiscal stability plan adopted in conjunction with the June 2013 \$2.5 million proposition 2 ½ override included a pledge to seek new local revenue sources;

WHEREAS, cities across America, including in Massachusetts, receive voluntary payment in lieu of tax or PILOT payments from their largest private, tax-exempt institutions in recognition of critical municipal services like police, fire rescue, and public works;

WHEREAS, Mayor David J. Narkewicz has developed a comprehensive Northampton PILOT Program in which the city's largest, private tax-exempt institutions will be asked for voluntary payments equivalent to 25% of what their real estate would be assessed if not exempt from property taxes under Massachusetts General Law, Chapter 59, Section 5;

WHEREAS, the Northampton PILOT Program exempts property owned by governmental, religious and cemetery, land conservation, and social service institutions;

WHEREAS, the Northampton PILOT Program exempts the first \$1,000,000 in

assessed real estate value;

WHEREAS, the Northampton PILOT Program will be phased in over five years beginning with the first voluntary PILOT payment requested before the close of FY2016 ending June 30, 2016;

WHEREAS, the Northampton PILOT Program will allow up to 50% credit for direct community services to be applied against voluntary annual payments by participating institutions including during the phase-in. After phase-in is complete, and in cases where the City and an institution identify exceptional or extraordinary opportunities for direct community services, the 50% credit cap may be exceeded;

WHEREAS, the Northampton PILOT Program will ensure that voluntary PILOT payment requests are based on current real estate assessment data, including any relevant information provided to the Office of the Assessor by tax-exempt institutions;

WHEREAS, the Northampton PILOT Program will be administered openly and transparently, with regularly updated information and statistics about the program available to taxpayers and tax-exempt institutions alike at [www.northamptonma.gov/PILOT](http://www.northamptonma.gov/PILOT).

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council endorses the Northampton PILOT Program.

In City Council, November 19, 2015  
Passed First Reading, on Roll Call Vote of 8 Yes, 0 No, 1 Absent (Councilor Murphy)

Attest: *Samuel P. Proulx*, Clerk of Council

In City Council, December 3, 2015  
Passed Second Reading, on Roll Call Vote of 8 Yes, 1 No (Councilor Murphy)

Attest: *Samuel P. Proulx*, Clerk of Council

Rules suspended, passed two readings and enrolled  
I hereby certify that the above Resolution passed the Northampton City Council on December 3, 2015

David J. Narkewicz, Mayor approved the Resolution on December 7, 2015

Attest: *Samuel P. Proulx*, Clerk of Council