

; 04/27/17 3:17 AM

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;;;BOSTON CITY COUNCIL 2-4PM

;;;4/27/2017

.

>> -- I WOULD LIKE TO INTRODUCE
THE DOCKETS 0536 THROUGH 0538.
ORDERS FOR THE FY18 OPERATING
BUDGET INCLUDING ANNUAL
APPROPRIATIONS FOR DEPARTMENTAL,
ANNUAL APPROPRIATIONS FOR THE
SCHOOL DEPARTMENT AND OTHER
APPROPRIATIONS FOR POST
EMPLOYMENT BENEFITS.
DOCKET 0539 THROUGH 0543 CAPITOL
BUDGET APPROPRIATIONS, LOAN
ORDERS AND LEASE AND PURCHASE
AGREEMENTS.

I WOULD LIKE TO REMAINED FOLKS
THIS HEARING IS BEING BOTH
BROADCASTED AND RECORDED.

>> I ASK FOLKS TO SILENCE
ELECTRONIC DEVICES.

IF ANYONE WANTS TO TESTIFY,
THERE IS A SIGN IN SHEET BY THE
DOR.

STATE YOUR NAME, AFFILIATION AND
RESIDENCE.

I AM JOINED TO MY COLLEAGUES, MY
MEDIATE LEFT AT LARGE COUNCILLOR
ESSAIBI-GEORGE GEORGE.

TO MY LEFT COUNCILLOR AS LARGE
COUNCILLOR FLAHERTY AND
COUNCILLOR IS A KEPL.

THANK YOU FOR JOINING US.

WE'RE -- THANK YOU, RON FOR
BEING AVAILABLE TODAY.

>> THANK YOU, COUNCILLOR.

FOR THE RECORD MY NAME IS RON,
COMMISSIONER OF THE ASSESSING
DEPARTMENT.

I'M HERE TODAY TO PRESENT THE
FISCAL 18 BUDGET RECOMMENDATIONS
FOR THE ASSESSING DEPARTMENT.
THE DEPARTMENT IS RESPONSE I
BELIEVE FOR MAINTAINING THE
OWNERSHIP DATA FOR DETERMINING
THE FAIR CASH VALUES FOR REALEST
AND PERSONAL ACCOUNTS EACH YEAR.
WE'RE ALSO IN CHARGE OF
ASSESSING EXCISE ON MOTORCYCLES
AND BOATS.

THE DEPARTMENT FACES MANY
CHALLENGES GOING NO FISCAL 1.

NOT THE LEAST OF WHICH IS TO
COME UP WITH NEW FAIR CASH
VALUES AND ACHIEVE DEPARTMENT
CERTIFICATION TO SEND OUT TAX
BILLS IN THE THIRD QUARTER OF
THE YEAR.

OUR GUIDELINES REQUIRE WE ASSESS
FULL MARKET VALUE.

WE HAVE A ACTIVE REAL ESTATE
MARKET IN BOSTON.

THIS STAFF IS GOING OUT VISITING
PROPERTIES HAVING PERMIT, WORK,
SALES, WE WILL ADJUST OUR
EVALUATION STANDARDS TO ADJUST
THE MARKET FOR THE LAST YEAR.

THE CITY HAS PROJECTED NEARLY
\$2.2 BILLION FOR FISCAL YEAR 1.
PROPERTY TAXES NOW ACCOUNT FOR
70% OF THE CITY'S OVER ALL
REVENUES.

AT THAT LEVEL THE CITY WILL BE
AT IT'S OPPOSITION TUNE AT
LIMIT, OUR PRACTICE EVERY YEAR
SINCE TWO AND A HALF -- SINCE
1982.

WE WILL TAKE OUR FULL
2.5 PERCENT INCREASE AND THE NEW
GROWTH OUT THIS TO GET TO THAT
LEVEL.

THE DEPARTMENT CONTINUES TO
FOCUS ON IMPROVING THE -- ASSESS
PHEBTS AND KEEPING OUR ABATEMENT
NUMBERS DOWN.

FISCAL 17 WE HAD A RECORD LOW
NUMBER OF ABATEMENT FILLINGS.
WE WERE HAPPY AND PLEASED WITH.
THAT THOSE RESULTS HAVE TANGIBLE
BENEFITS FOR THE CITY AS WELL.
WE HAVE A RESERVE FOR PAYMENT
REFUNDS.

THE FACT THAT WE HAVE SUCH LOW
NUMBERS HAVE ALLOWED THE CITY TO
REDUCE THE AMOUNT WE SET ASIDE,
1.4% NOW OF OUR TOTAL TAX LEVY.
PUT THAT IN PERSPECTIVE IT
WASN'T LONG AGO, FISCAL 2004 WE
PUT ASIDE 5 PERCENT OF OUR LEVY.
EVERY PERCENTAGE POINT
REPRESENTS ABOUT \$22 MILLION
THAT REDUCTION HAS HAD VERY
TANGIBLE BENEFITS ON THE FISCAL
PERFORMANCE OF THE CITY WITH.
THAT I'M SURE YOU HAVE
QUESTIONS.

I WILL TURN IT BACK TO YOU.
>> THANK YOU FOR YOUR
PRESENTATION.
WE HAVE BEEN JOINED BY DISTRICT
COUNCILLOR ANDREA CAMPBELL.
CAN YOU TELL US WHAT THE NEW
GROWTH VERSUS THE ASSESSED VALUE
FOR THE.
>> -- ABOUT \$50 MILLION IN
GROWTH.
THAT'S PRETTY CONSISTENT WITH
WHAT WE HAVE SEEN THE LAST FEW
YEARS -- THE NEW GROWTH NUMBERS
CAN BE INFLUENCED BY A NUMBER OF
FACTORS.
CERTAINLY THE AMOUNT OF
CONSTRUCTION IN THE CITY IS ONE
OF THEM.
IT CAN BE IMPACTED BY PERSONAL
PROPERTY.
IF WE HAVE LARGE INVESTMENTS BY
UTILITY COMPANIES THAT WE HAVE
EXPERIENCED THE LAST COUPLE OF
YEARS THAT CAN DRAW THE NUMBER
UP.
IT'S UNCLEAR WHETHER WE CAN
EXPECT THAT NEXT YEAR.
WE HAVE BUILT CONSERVATISM NO
THE ESTIMATE.
ANOTHER FACTOR IS WE CAN HAVE
121A PROPERTIES GO FROM TAX I
BELIEVE TO EXEMPT.
-- THIS YEAR THERE ARE NO LARGE
PROPERTIES LIKE.
THAT THAT'S ANOTHER REASON THE
GROWTH ESTIMATE IS DOWN FROM
LAST YEAR.
IT'S HIGH RELATIVE TO OUR THREE
AND FIVE YEAR AVERAGES OVER THE
LAST FEW YEARS.
>> RIGHT.
YOUR BUDGET IS VIRTUALLY FLAT.
I WONDER, CAN YOU SPEAK TO THE
EFFICIENCIES, YOU KNOW,
OBVIOUSLY WITH THE NEW GROWTH
AND ALL OF THE COULD BE STRUBGS
GOING ON, YOUR ASSESSORS HAVE TO
GO OUT.
YOU PROBABLY NEED MORE OF THEM
TO GO OUT AND ASSESS.
HOW ARE YOU MANAGING TO KEEP THE
CURRENT STAFF LEVELS AND PROCESS
ALL OF THE DATA THAT YOU NEED
TO.

>> COUNCILLOR, I MEAN, IT'S NOT JUST THE NEW PROPERTIES, EVEN WITH THE CONDO THAT'S HAVE BEEN, YOU KNOW WE -- IT WASN'T THAT LONG AGO.

I THINK THE DEPARTMENT HAD TO THOUSAND TO 30,000 CONDOS.

I THINK WORE UP TO 60,000 CONDOMINIUMS.

IT GROWS BY A COUPLE THOUSAND A YEAR.

THAT'S A CHALLENGE FOR US.

WE HAVE REALLY RELIED ON TECHNOLOGY GO AND THAT KEEPS US EFFICIENT SO WE CAN STILL EFFECTIVELY ADMINISTER THE PROPERTY TAX AT THE SAME NUMBERS.

SOME OF THE STUFF WE HAVE BEEN DOING INCLUDES SOME INVESTMENT IN ON-LINE FILING.

WE DO THAT FOR OUR PERSONAL PROPERTY TAX RETURNS, ALL OF OUR REAL ESTATE TAX RETURNS, WE ARE GOING TO BE WORKING TO DO IT TO ROLL OUT A NEW PROGRAM FOR EXEMPT PROPERTY OWNERS.

THOSE PROGRAMS ARE VERY IMPORTANT TO US.

NUMBER ONE, IT'S MORE CON SROEPBT FOR THE TAX FLIER TO FOIL THE INFORMATION WITH US. NO PAPER FORMS TO FILL OUT. TECHNICALLY IT'S MORE EFFICIENT. WE'RE NOT DATA ENTERING IT. OPENING MAIL.

STORING IT, SCANNING IT.

IT COMES TO US ELECTRONICALLY AND WE CAN WORK WITH IT RIGHT AWAY.

THAT'S BEEN VERY IMPORTANT TO US.

WE ALSO HAVE OUR MAJOR COMPUTER SYSTEM IS OUR CAMERA SYSTEM.

THE SYSTEM THAT WE HAVE NOW WAS INSTALLED IN BELIEVE IT OR NOT FISCAL 2000.

IT WAS A STATE OF THE ART SYSTEM AT THE TIME.

WE HAVE HAD A NUMBER OF UPGRADES SINCE THEN.

WE FEEL THERE IS STILL PRODUCTS IN THE MARKETPLACE NOW THAT WOULD HELP US TAKE OUR

EFFICIENCY TO THE NEXT LEVEL.
WE ARE GOING THROUGH A PROCESS
OF EVALUATING.
I KNOW IN THE CAPITOL BUDGET
THERE IS MONEY SET ASIDE TO HELP
US OUT REPLACING THE CAMERA
SYSTEM.
>> I THINK YOU MENTIONED THE
OVAL A AND ABATEMENTS ARE AT
RECORD LOWS.
CAN YOU SPEAK A LITTLE BIT ABOUT
THOSE AND THEY FISH KWREBT SEES
THERE AS WELL.
>> THAT MAKES A HUGE DIFFERENCE
THIS.
YEAR WE HAD UNDER 1600 ABATEMENT
APPLICATIONS FILED.
THAT'S A RECORDLY FOR US.
WE HAVE BEEN IN THE 2200, 2000
RANGE FOR THE LAST COUPLE OF
YEARS.
TO THE EXTENT WE CAN GET THE
VALUE THE RIGHT THE FIRST TIME
AND AVOID ABATEMENTS THAT'S MORE
EFFICIENT.
ABATEMENTS REQUIRE FIELD CYSTS.
THERE IS A COURT PROCEEDING
THERE.
THOSE CAN BE VERY TIME
CONSUMING.
NOT ONLY ARE OUR ABATEMENT
NUMBERS DOWN BUT -- NOW BELOW
300.
WE ONLY HAVE 300 CASES OPEN FOR
THE FISCAL YEARS.
AGAIN THAT ALLOWS THE ASSESSORS
WORKING ON THE FISCAL 18
ASSESSMENTS NOW.
WE CAN HOPEFULLY KEEPING THAT
CYCLE OF LOW ABATEMENTS AND
KEEPING THE VALUES ACCURATE.
>> I JUST WANT TO ASK ONE FILE
QUESTION ON THE REVENUE,
PROJECTION.
YOU DID SAY WE PROJECTED
75 MILLION IN THE CURRENT YEAR
FOR NEW GROWTH.
>> YES.
FISCAL 17 WE REALIZED --
>> REALIZED.
DO YOU KNOW WHAT WE PROJECTED?
>> HOLD ON --
>> DO YOU REMEMBER WHEN WE
PROJECTED.

>> I THINK I HAVE THAT IN MY
FILE OF PAPERS HERE.

>> WE'RE NOW BEING JOINED BY
DISTRICT SIX CITY COUNCILOR MATT
O'MALLEY.

>> IT CAKE UP IN OUR OVERVIEW AS
WELL.

WE IMMEDIATELY THINK, YOU KNOW,
IS THERE A SLOWING TREND GOING
ON.

YOU KNOW WHY -- WE REALIZE 75.
WE'RE PROJECTED 50 NEXT YEAR.

>> I GUESS I WILL GO BACK TO --
MY ANSWER TO YOUR FIRST
QUESTION.

IT'S NOT JUST CONSTRUCTION.
CERTAINLY THERE IS A LOT OF
CONSTRUCTION GOING ON RIGHT NOW.

>> THERE IS RESIDENTIAL VERSUS
COMMERCIAL.

THE FACT IT'S RESIDENT DEBTIAL
IS HELPFUL.

IT HELPS THE HOUSING PRICES.
THE SAME TIME RESIDENTIAL
PROPERTIES YIELD ONE PERCENT OF
THEIR VALUE FOR GROWTH VERSUS
COMMERCIAL PROPERTY WHICH YIELD
2.5 PERCENT OF THE VALUES.

A LOT IS RESIDENTIAL NOW.
THAT KEEPS THE GROWTH AND TAXES
DOWN A LITTLE LOWER.

AGAIN WE HAD THAT -- EXEMPT LAST
YEAR.

WE HAD A RECORD AMOUNT OF
PERSONAL PROPERTY GROWTH.
FROM THE UTILITY COMPANIES AND A
COUPLE OF OTHER LARGE ACCOUNTS
WE DISCOVERED LAST YEAR.
THAT IS MONEY THAT DOESN'T
NECESSARILY COME IN A CONSTANT
STREAM.

IT CAN BE FEAST OR FAMINE.
WE DON'T WANT TO BE IN A
ESTIMATE TOO AGGRESSIVE AND FIND
OURSELVES IN DECEMBER WITH
REVENUE BELOW OUR EXPECTATIONS.
THEN WE HAVE DIFFERENT
CONVERSATIONS THEN.

>> YES, ABSOLUTELY.

THE CON SEVEN TIFF BUDGETING
APPROACH HAS SERVED OUR CITY
WELL TO THIS DATE.

LET ME RECOGNIZE COUNCILLOR
ESSAIBI-GEORGE GEORGE.

>> I HAVE A NOTE HERE WE HAD A
PRO EQUITIED INCREASE OF
PROPERTY TAX RECEIPTS FOR THE
FOLLOWING FISCAL YEAR.
DOES THAT SOUND RIGHT?
>> YES.
>> ONLY 75 MILLION REALIZED.
>> 94 MILLION INCLUDES THE NEW
GROWTH AND 2.5 PERCENT INCREASE.
LAST YEAR THE 2.5 PERCENT
INCREASE WAS ABOUT \$45 MILLION.
THE NEW GROWTH ESTATE WAS
PROBABLY 50 MILLION-DOLLAR
RANGE.
>> OKAY.
THANK YOU, FOR.
THAT
>> THANK YOU FOR BEING HERE.
>> I WONDER IF WE HAVE EVIDENCE
OR WHAT OUR SENIORS ARE TAKING
ADVANTAGE OF TO PROTECT THEM
AGAINST THE RICE OF TAXES.
WE HAVE THE 41C PROGRAM.
WE ALSO HAVE THE ABILITY FOR
SENIORS TO LOOK FOR STATE REBATE
PROGRAM.
DO WE HAVE INFORMATION ON WHAT
SENIORS HAVE TAKEN ADVANTAGE OF
IT.
>> WHAT I CAN GET YOU,
COUNCILLOR, EVERY YEAR WE REPORT
TO THE DEPARTMENT OF REVENUE THE
NUMBER OF EXEMPTIONS WE PROVIDE
ALL TAXPAYERS INCLUDING THE
ELDERLY.
I CAN -- WOULD BE HAPPY TO GET
YOU A COPY FOR FISCAL 17.
>> I WONDER HOW PRODUCTIVE THEY
ARE AND IF SENIORS TAKE
ADVANTAGE.
IF THEY'RE NOT, OVERTIME, IS
THERE A BETTER WAY TO REACH OUT
TO THEM AND INFORM THEM ON THE
PROGRAMS AVAILABLE.
>> SURE, LET ME TOUCH ON A
COUPLE OF THINGS THERE.
THE USE OF THE PROGRAMS ARE
PRETTY WIDESPREAD.
I THINK WE HAVE PRETTY SOLID
NUMBERS.
WILL YOU SEE THAT.
WE WORK WITH OUR PARTNERS IN THE
ELDERLY COMMISSION ON A REGULAR
PACE IS, OUTREACH EFFORTS.

IT'S NOT JUST THE ASSESSING
STAFF AND THE MAILERS FOR THE
TAX BILLS AND WEBSITE.
WE WORK WITH THE ELDERLY
COMMISSION AND I WAS, I HAD A
MEETING WITH COMMISSIONER SHEA A
COUPLE OF MONTHS AGO ABOUT THE
ASSESSING STAFF TRAIN HER STAFF
AND THE ELDERLY SO THERE ARE
MORE PEOPLE AWARE OF OUR
PROGRAMS.

THE ONE I'M MOST CONCERNED ABOUT
IS THE STATE -- PROGRAM.

THE LAST TIME I LOOKED THE
PARTICIPATION RATE IN THE CITY
OF BOSTON FOR THE PROGRAM IS
RELATIVELY LOW.

PART IS OUR RESIDENTIAL TAXES,
BECAUSE OF THE EXEMPTION TAXES
TEND TO BE LOWER THEN
NEIGHBORING COMMUNITIES.

I ALSO THINK THAT THE CIRCUIT
BREAKER PROGRAM IS COMPLICATE
THE FOR FOLKS.

THINK WE CAN DO A BETTER JOB
EXPLAINING THAT.

WE WANT TO SEE WHAT WE CAN DO IN
THAT REGARD.

>> THEY HAVE SIMPLIFIED THE
PROCESS OR IS THAT THE STATE A
HUNDRED PERCENT?

>> IT'S A STATE PROGRAM.

THE CIRCUIT BREAKER YOU A PRY FOR
ON YOUR STATE INCOME TAX FORM.

I THINK IT'S CERTAINLY
IMPORTANT, WE REMAINED OUR
TAXPAYERS ABOUT THE PROGRAMS AND
WHAT NOT.

THAT'S SOMETHING WORE TALKING
WITH THE ELDERLY COMMISSION
ABOUT.

WORKING WITH THE ADVOCATE
COMMUNITY TO MAKE SURE PEOPLE
ARE WARE OF THAT AND TAKING
ADVANTAGE OF IT.

IT CAN MAKE A BIG DIFFERENCE.
ESPECIALLY FOR SOMEONE HOUSE
RICH AND CASH POOR.

>> WE FIND A LOT OF SENIORS IN
THAT POSITION.

>> I WONDER IF THERE IS A
RELATIONSHIP FOR THE TAX FILING
PROGRAMS THAT RUN THROUGH REC
COMMUNITY CENTERS, LATE WINTER

TO EARLY SPRING THAT JUST
WRAPPED UP.
TO EDUCATE THE VOLUNTEERS DOING
THE TAX FILLINGS FOR RESIDENTS
ON THESE PROGRAMS.
>> THINK THAT'S A EXCELLENT
IDEA.
ESPECIALLY FOR OUR ELDERLY
TAXPAYERS.
>> THE OTHER THING I WANT TO
MENTION, COMMISSIONER SHEA IS
WORKING ON, WHAT IS BEING LOCKED
AT AS ELDERLY COMMISSION ABLING
FRIENDLY ACTION PLAN.
AS PART OF THE ACTION PLAN SHE
MET WITH US.
WE TALKED ABOUT TAKING A COUPLE
OF STEPS THERE TO THAT TO HELP
OUT OUR ELDERLY TAXPAYERS.
WE HAVEN'T ADJUSTED THE INCOME
AND NET WORTH PROGRAM SINCE
2004.
WE HAVEN'T HAD RUN AWAY
INFLATION BUT INCOME LEVELS RIP
ACROSS THE CITY.
WE THINK IT'S TIME TO MAKE AN
ADJUSTMENT IN SOME OF THOSE.
WE'RE WORKING ON COMING UP WITH
NUMBERS THERE AND GETTING
LEGISLATION FILED SO WE CAN
INCREASE THOSE SO THEY'RE
EQUITYBLY REFLECKING PEOPLES
INCOMES HOYER NOW THAN THEY WERE
IN 2004.
WORE NOT CUTTING DOWN THE
EXEMPTION NUMBERS BECAUSE OF THE
INFLATION AND PEOPLES INCOMES.
WE'RE ALSO LOOKING AT INCREASING
THE WORK OFF CREDIT, THE SENIOR
WORK OFF PROGRAM.
IT'S CURRENTLY SET UP AT A
THOUSAND.
SEE ABOUT INCREASING THAT.
WE THINK 1500 MAYBE AN IN A ROPE
RATE NUMBER.
THE OTHER PART WE TALKED ABOUT
WAS THE CIRCUIT BREAKER
CAMPAIGN.
>> THANK YOU.
I WANT TO SHIFT GEARS TO PILOT.
LAST YEAR WE SPENT SOME OF THIS
TIME TALKING ABOUT OUR NON
PROFIT PROPERTY OWNERS ACROSS
THE CITY.

THE SHORTFALL BETWEEN WHAT THEY'RE GIVING AND WHAT WE'RE ASKING FOR WHEN IT COMES TO PAYMENT IN LUIS FLEISCHMAN OF TAXES.

>> -- I'M CURIOUS WHERE WE ARE ON THAT AND HOW WE CAN DO A BETTER JOB AS A CITY COLLECTING ON THE CONTRIBUTIONS THE NON PROFIT PARTNERS MAKE TO THE CITY AS THEIR FOOT PRINTS CONTINUE TO GROW IN THE CITY AND THEY TAKE PROPERTY OFF -- A GENERAL QUESTION BUT ALSO CURIOUS ABOUT THE -- IF WE HAVE ANALYZED ANY OF THE LOSS OF REVENUE AS THE NOB PROFIT INSTITUTIONS TAKE PROPERTY TAX PAYING PROPERTIES OFF.

>> SURE.

SO TWO IMPORTANT POINTS ABOUT THE PILOT PROGRAM. THE ADMINISTRATION IS FOCUSED ON IT WE HAD, FISCAL 16 ARE THE MOST RECENT NUMBERS WE HAVE AVAILABLE WE'RE COLLECTING THE MONEYS FOR FISCAL 17. WE RECEIVED \$32.1 MILLION IN CASH FOR FISCAL 16. THAT'S UP FROM THE PREVIOUS YEAR FROM 29 MILLION.

IN ADDITION TO THE CASH THERE WERE 50-POINT --

>> YOU SAID 32 MILLION UP FROM?
>> 27.9.

>> THAT DOESN'T INCLUDE, SO IF WE LOOK AT 2016, I BELIEVE THAT'S FISCAL YEAR 2016, THE SHORTFALL WAS 15 MILLION IN 2016.

>> I BELIEVE THAT IS CORRECT.

>> THAT'S TOTAL.

THIS ARE SOME HOSPITALS ARE PAYING 93%.

COLLEGES PAY 51%.

CULTURAL INSTITUTIONS PAY 24% OF WHAT THEIR COMMITMENT IS TO THE CITY OF BOSTON.

THE 24% PROBABLY THE MOST SCARY.

THAT INCLUDES INSTITUTIONS PAYING ZERO PERCENT OF WHAT THEIR COMMITMENTS ARE.

THE AQUARIUM.

ICA.

THE MUSEUM OF SCIENCE.
THE CHILDREN MUSEUM.
ZERO PERCENT OF THE COMMITMENT.
>> SO, YOU KNOW FIRST OF ALL WE,
WE CONTINUALLY ENCOURAGE OUR NON
PROFIT PARTNERS TO PAY, BUT YOU
HAVE TO KEEP IN MIND THE PROGRAM
IS A PARTNERSHIP AND VOLUNTARY.
THERE ARE NO REQUIREMENTS THEY
PAY THE AMOUNTS.
>> THE HOSPITALS HAVE A HOY
PARTICIPATION RATE.
WE'RE HAPPY WITH THAT.
THE HIGHER ED INSTITUTIONS MORE
OF A MIXED BAG.
WE HAVE SOME INSTITUTION THAT'S
ARE STEPPING UP TO THE PLATE AND
PAYING.
LOOSE LAGGING BEHIND AND WE
CONTINUALLY HAVE CONVERSATIONS
WITH THOSE LAGGING BEHIND.
THEN THE CULTURAL INSTITUTIONS
SINCE WE ROLLED OUT THE NEW
PROGRAM IN FISCAL 2012,
HISTORICALLY IT HAS A LOW
PARTICIPATION RATE.
THEY WENT FROM 90% TO 24%.
THEY HAVE ALWAYS BEEN VERY LOW.
>> 91 TO 24 OVER A FOUR YEAR
SPAN.
THE CULTURAL INSTITUTIONS WENT
FROM 91 FIRST OF THEIR
COMMITMENT OF THE REQUESTED
AMOUNTS TO 24 PERCENT.
>> MY RECOLLECTION IS THEY
HISTORICALLY --
>> IT'S NOT GOOD EITHER WAY.
>> IT'S NOT GOOD EITHER WAY.
>> I WOULD SAY IN OUR
CONVERSATIONS WITH SOME OF THE
CULTURAL INSTITUTIONS THEY DO
OPERATE ON A LITTLE ECONOMIC
MODEL THEN THE HIGHER ED
INSTITUTIONS AND THE HOSPITALS.
I THINK WE NEED TO BE SOMEWHAT
SENSITIVE TO.
THAT I THINK A LOT OF THEM HAVE
BEEN ACTIVELY ENGAGED WITH THE
ADMINISTRATION IN TERMS OF THE
SERVICE SIDE OF THINGS.
THEY HAVE BEEN RUNNING A LOT OF
PROGRAMS THAT ARE DIRECTED
SPECIFICALLY TO BOSTON RESIDENTS
IN TERMS OF USING ACCESS,

EDUCATIONAL PROGRAMS WITH
SCHOOLS AND COMMUNITY CENTERS.
WE PUBLISHED ALL OF THE
INFORMATION ON OUR WEBSITE.
I THINK THERE ARE GOOD PROGRAMS
THERE.
I SHARE YOUR CONCERN IN TERMS OF
THE LACK OF CONTRIBUTION AND
WE'RE STILL HAVING THE
CONVERSATIONS, I THINK WE NEED
TO BE MINDFUL OF THOSE GREAT
SERVICES THAT OUR FOLKS,
INSTITUTION PARTNERS, PROVIDE.
SOME MORE THAN OTHERS.
THERE IS GOOD STUFF THERE.
WHEN I LOOK AT COMMUNITY
SERVICES IN THE PILOT PROGRAM I
LOOK AT THINGS WHERE THEY'RE
DOING FUNCTIONS THAT MAYBE WE
WOULD LIKE TO DO, BUT DON'T HAVE
THE RESOURCES TO DO.
OR MAYBE WE'RE NOT GREAT AT
DOING THEM.
SOME OF THE EDUCATIONAL PROGRAMS
THAT I KNOW THE -- THE AQUARIUM
IS RUNNING, THE SCIENCE MUSEUM
IS RUNNING, SPECIFICALLY FOR
BOSTON SCHOOL KIDS ARE GOOD
PROGRAMS.
THE FACT IS A LOT OF OUR
CITIZENS IN BOSTON CAN GO TO THE
MUSEUMS FOR FREE.
THE SQUARE YUM HAS THE PROGRAM
TO GO TO THE LIBRARY FOR A PASS
AND GO FOR FREE.
NOBODY ELSE IN OTHER CITIES AND
TOWNS HAVE THE ABILITY.
I THINK THEY'RE TRYING TO BE
GOOD CORPORATE CITIZENS HERE.
AGAIN, I WOULD LIKE TO SEE A
GREATER CONTRIBUTION BUT THERE
ARE GOOD THINGS GOING ON THAT WE
SHOULDN'T LOSE SIGHT OF.
>> MY LAST QUESTION IS ALTHOUGH
WE CAN'T MANDATE THAT THEY PAY
THE PILOT IS THERE A WAY TO NOT
ALLOW NEW PURCHASES OF PROPERTY
TO REPLANE ASSESSED AT MARKET
VALUE GOING FORWARD AND PAY
PROPERTY TAXES.
>> COUNCILLOR, THERE IS NO --
THE LAW DOES NOT ALLOW US TO
REQUIRE A PROPERTY ON THE TAX
ROLL.

IT'S THE OPPOSITE IF A EXEMPT
INSTITUTION PURCHASES THE
PROPERTY AND USE IT FOR A EXEMPT
PURPOSE UNDER THE LAW WE ARE
REQUIRED.

I WOULD SAY WHEN THAT HAPPENS WE
HAVE CONVERSATIONS WITH THE
INSTITUTIONS ABOUT THAT LOSS OF
REVENUE.

THE IMPACT THAT THERE SHOULD BE
ON THE PILOT GOING FORWARD.

>> THANK YOU.

>> THANK YOU.

COUNCILLOR CAMPBELL.

>> THANK YOU, COUNCILLOR SEE OM
OMO.

>> RON, THANK YOU FOR YOUR TEAM
AND YOUR HARD WORK.

YOU WORK VERY HARD AT A
ASSESSING.

THANK YOU FOR THE UPDATES.

A QUICK QUESTION, EXCUSE MY
IGNORANCE ON THIS.

THE PILOT PROGRAM STARTED
BECAUSE WE COULDN'T REQUIRE OR
FORCE THESE INSTITUTIONS TO PAY
THE CITY ANY TAXES.

THAT CURRENTLY IS EXISTING LAW
UNDERSTATE AND FED R-L LAW OR
JUST FEDERAL OR JUST STATE LAW?

>> ALL OF THE EXEMPTIONS THAT
APPLY TO THE REAL ESTATE TAX ARE
DRIVEN BY STATE LAW.

>> OKAY.

I'M HE CAN KNOWING COUNCILLOR
ESSAIBI-GEORGE'S POINT.

YOU HAVE RESIDENTS THAT DON'T
UNDERSTAND THE DISTINCTION AND
THE PROGRAM IS VOLUNTARY.

WE CAN'T REQUIRE THEM LEGALLY TO
PAY US.

SOME FOLKS SAY THEY DON'T PAY
ANYTHING AND WE LOSE AS A
RESULT.

I WANTED TO CLARIFY THAT.

IF ANYONE WANTED TO TAKE ON
SOMETHING LIKE THAT, OF COURSE
PEOPLE CAN TAKE ON WHATEVER THEY
LIKE, THEY WOULD HAVE TO
MOBILIZE AT THE STATE HOUSE FOR
SOMETHING TO CHANGE IN ORDER TO
REQUIRE INSTITUTIONS TO PAY THE
CITY FOR PROPERTIES OR FOR
CERTAIN THINGS TO MAKE THOSE

THINGS TAXABLE FOR THE
INSTITUTIONS.

>> THAT'S CORRECT.

THERE HAS BEEN A LONG HISTORY
WITH THE CITY AND IT'S
RELATIONSHIP WITH THE INSURANCE
INSTITUTIONS.

AT VARIOUS TIMES.

I KNOW BACK IN THE 80s THERE
WERE PROPOSALS PUT OUT THERE TO
TAX ALL OR A PORTION OF EXEMPT
PROPERTY HOLDINGS.

OUR THINKING ON THIS HAS BEEN,
YOU KNOW WE HAVE TO RECOGNIZE
HOW IMPORTANT THE EXEMPT
INSTITUTIONS ARE.

SOMETIMES WE'RE FRUSTRATED WITH
THEM IN OUR NEIGHBORHOODS.

AT THE SAME TIME OUR HOSPITALS
AND UNIVERSITIES ARE A IMPORTANT
PART OF OUR ECONOMIC SUCCESS.
CERTAINLY WE NEED TO RECOGNIZE
THAT.

I THINK THE OTHER THING WE NEED
TO RECOGNIZE ON THE PILOT
PROGRAM IS HOW FAR WE HAVE COME.
WE'RE NOT THERE YET THIS.

IS VERY MUCH A WORK IN PROGRESS.
AND WE ARE COMMITTED TO FURTHER
IMPROVEMENTS AND HIGHER
PARTICIPATION AND EVERYTHING
ELSE.

WHEN WE STARTED THIS NEW PROGRAM
IN FISCAL 12 WE RECEIVED
\$15 MILLION A YEAR IN PILOT
PAYMENTS WELL.

HAVE MORE THAN DOUBLES THAT IN
THE COURSE OF SIX YEARS, THAT'S
SIGNIFICANT.

THIS IS NO OTHER CITY IN THE
COUNTRY THAT IS EVEN CLOSE TO
US.

IN TERMS OF PILOT PAYMENTS.
MAYBE A COUPLE WITH A FEW
MILLION DOLLARS IN PILOT
PAYMENTS.

THE FACT WE GET \$32 MILLION FROM
OUR EXEMPT INSTITUTIONS IS
UNPRECEDENTED IN THE COUNTRY.
I RECOGNIZE IT'S A HUGE ISSUE
FOR US.

SO MUCH OF OUR LAND AREAS ARE
EXEMPT AND WE RELY HEAVILY ON
THAT PROPERTY TAX.

WE DON'T HAVE A INCOME OR SALES TAX TO GET REVENUE FROM THE STUDENTS COMING HERE AND WHAT NOT.

I'M SURE DAVE SWEENEY HAS, TOLD YOU ABOUT OUR STATE AID ISSUES. YOU KNOW THAT'S A PROBLEM FOR US.

IT'S A IMPORTANT PROGRAM WE NEED TO CONTINUE TO GROW.

WE HAVE MADE SIGNIFICANT STRIDES HERE.

SOMETIMES WE NEED TO MAKE SURE WE DON'T LOSE SIGHT OF THAT.

>> THANK YOU FOR.

THAT MY FOLLOW-UP QUESTION TO THAT IS, HAS THERE BEEN EFFORTS TO TRULY THINK ABOUT DIVERSIFYING OUR TAX REVENUE BASIS.

OBVIOUSLY PROPERTY TAX IS THE NUMBER ONE, LOOKING AT OTHER MUNICIPALITIES ACROSS THE COUNTRY, YOU KNOW SALES TAX, INCOME TAX.

I'M CURIOUS HAVE THERE BEEN CONVERSATIONS ABOUT THAT IN THE STATE?

YOU KNOW --

>> THAT HAS HAPPENED I THINK FAIRLY REGULAR PROCESS. BASIS OVERTIME.

YOU KNOW THERE WAS A INTERESTING REPORT, BOSTON BOUND DONE BY HARVARD LAW SCHOOL PROFESSORS ABOUT FIVE OR SIX YEARS AGO.

IT CONTRASTED A SITUATION THAT BOSTON IS IN WITH THE ABILITY TO GET NEW REVENUE STRUCTURES AND REVENUES IN PLACE COMPARED TO THE NO MATTER WHAT, CHICAGOS AND THE DENARS HAVE.

THINK IT'S SOMETHING THAT WE NEED TO LOOK AT.

YOU KNOW IT'S INTERESTING THAT WHEN PROPOSITIONS 2.5 WENT INTO EFFECT AT FIRST THE CITY RELIED ON THE PROPERTY TAX FOR ABOUT 60 PERCENT OF IT'S REVENUES.

THEN WHEN IT WENT TO PLACE PROPERTY TAX REVENUE RELIANCE WENT DOWN, DOWN TO 50 PERCENT. NOW WE'RE AT 70 PERCENT.

WE'RE RELYING ON THE PROPERTY

TAX MORE THAN PROPOSITIONS 2.5
WENT INTO EFFECT.
>> PROPOSITIONS 2.5 ISN'T GOING
ANYWHERE?
>> NO, I WOULDN'T THINK . SO.
>> THAT'S A GREAT POINT YOU
BRING UP.
SOMETIMES PEOPLE ARE AFRAID TO
TALK ABOUT TAXES.
I THINK THE CPA, ONE EXAMPLE OF
FRAMING THE ISSUE IT'S NOT JUST
A TAX AND RATE WHAT FOLKS AND
RESIDENTS ARE -- WHAT THEY'RE
GETTING INTO.
IN SPECIFIC TERMS STRAIGHT
FORWARD WITH RESIDENTS.
THE BENEFITS OF WHAT IT MEANS
FOR THE CITY AND THE WHOLE.
NOT JUST LOOKING SHORT-TERM BUT
LONG TERM WE CAN CHANGE THE
DYNAMIC OF A CONVERSATION A
LITTLE BIT.
I HAVE TWO MORE QUESTIONS.
ONE FOLLOWING UP ON COUNCILLOR
ESSAIBI-GEORGE.
THE DISCOUNT PROGRAMS FOR
RESIDENTS, ESPECIALLY OUR
SENIORS.
ONE OF THE CONCERNS WE HEAR
OFTEN IS FOR EXISTING PROGRAMS
IF THERE ARE INCOME THRESHOLDS
FOR THE PROGRAMS.
A LOST SENIORS SAY I DON'T CALL
TOY, I MAKE A LITTLE TOO MUCH.
IS THERE AN EVALUATION IF WE
HEAR FROM A SUBSTANTIAL AMOUNT
OF SENIORS WHO PARTICIPATE IN A
PARTICULAR PROGRAM, THAT THE
INCOME THRESHOLD ISN'T ALLOWING
FOR THEIR NEIGHBORS TO
PARTICIPATE.
WHO EVALUATES IF WE CAN CHOOSE
THAT.
IS IT DIFFERENT FOR EACH
PROGRAM?
I'M CURIOUS TO KNOW ABOUT THAT.
>> THE PROGRAM LIMITS ARE
ESTABLISHED IN STATE STATUTES.
WE DON'T HAVE DIRECT CONTROL
OVER THOSE.
AS I MENTIONED TO THE COUNCILLOR
WE ARE GOING THROUGH A PROCESS
NOW WORKING WITH THE ELDERLY
COMMISSION TO TAKE A LOOK

SPECIFICALLY AT THE INCOME LIMITS IN THE 41C PROGRAM. THE PROGRAM THAT IS TARGETED TOWARDS ELDERLY FOLKS WITH LIMITED INCOME.

THOSE HAVE NOT, THOSE INCOME LIMITS HAVEN'T BEEN UPDATED SINCE 2004.

WE THINK, THAT YOU KNOW, JUST DOING INFLATION ADJUSTING ON THE INCOME LIMITS IS HELPFUL AND WOULD ALLOW PERHAPS MORE OF OUR SENIORS TO QUALIFY FOR THE PROGRAMS.

WE HAVE DONE ANALYSIS ON THAT. WE ARE LOOKING TO SEE IF THERE IS A LEGISLATIVE VEHICLE AT THE STATE HOUSE FOR US TO JUMP ON. IF NOT EITHER DO A HOME RULE PETITION OR FOLLOW-UP LEGISLATION TO MAKE ADJUSTMENTS WITH.

THAT.

>> THAT'S VERY HELPFUL.

I TOO WOULD LOVE TO SEE A COPY OF THE DOCUMENT YOU REPORT TO THE DEPARTMENT OF REVENUE. IN THIS DOCUMENT YOU REPORT TO THE DEPARTMENT OF REVENUE IS THIS A LIST OF ALL OF THE PROGRAMS AND DISCOUNT PROGRAMS YOU PROVIDE TO THE CITY OF BOSTON RESIDENTS.

WHAT DOES THE BREAK DOWN LOOK LIKE?

>> IT'S A BREAKDOWN BY EXEMPTION PROGRAMS.

ONE FOR THE 41C, 17D, THE TAX PROGRAM.

ALL OF THE PROGRAMS IT WILL GIVE YOU A COUNT HOW MANY RESIDENTS QUALIFIED FOR THE PROGRAM AND THE TOTAL AMOUNT OF TAXES ABATED.

>> HOW MANY RESIDENTS QUALIFIED AND HOW MANY TAKE ADVANTAGE OF IT.

>> ACTUALLY HOW MANY -- THIS, THAT REPORT SAYS HOW MANY WERE GRANTED THE EXEMPTION.

>> BUT YOU CAN STILL SEE A DIFFERENCE BETWEEN WHO IS ELIGIBLE -- THE NUMBER OF RESIDENTS IN OUR CITY ELIGIBLE

AND THOSE WHO GET IT YOU CAN SEW THE GAPS.

>> SOMETIMES IT'S HARD.

IT'S HARD TO USE CENSUS DATA ON HOW MANY PEOPLE OWN HOMES AND FIT IN THE INCOME THRESHOLD OF THE PROGRAM.

A LOT OF SENIORS RENT OR WHAT NOT AND DON'T QUALIFY FOR THE PROGRAM.

SOMETIMES IT'S DIFFICULT TO UNDERSTAND HOW MANY QUALIFY.

THAT'S WHERE OUR OUTREACH PROGRAMS ARE IMPORTANT.

AND THE RENEWAL PROGRAM.

THOSE WHO GOT THE EXEMPTION LAST YEAR WE SEND OUT AN APPLICATION FOR THEM TO REAPPLY FOR IT.

>> AUTOMATICALLY.

>> YES.

THINK WE'RE THE ONLY CITY IN THE COMMONWEALTH THAT DOES.

THAT IT DOES A COUPLE OF THINGS.

IT GETS OUT THIS AND LET'S PEOPLE APPLY.

THE OTHER GREAT THING IS IF THEY SEND IT BACK TO US WE CAN PROCESS THE ABATEMENT AND TAKE IT OFF BEFORE THE THIRD QUARTER TAX BILL GOES OUT.

>> THINK LIKE 08 PERCENT OF THE SENIORS HAD NO IDEA.

IT BEGGING THE QUESTION WHAT OTHER PROGRAMS EXIST IN THE CITY OF BOSTON THAT THEY DIDN'T KNOW THEY WERE ELIGIBLE FOR.

MANY OF THE DEPARTMENTS WERE GREAT ABOUT GOING INTO COMMUNITIES.

GIVING THE INFORMATION AND EXPLAINING THE PROCESS AND DOING IT ON THE SPOT FOR GATHERING INFORMATION.

IT WAS GREAT TO HEAR THAT YOU WORKED CLOSELY WITH THE ELDERLY COMMISSION.

MY LAST QUESTION IS WITH CPA.

WHEN WE START TO EXPECT TO RECEIVE FUNDS WE'RE WORKING YOU THIS THE PROCESS OF THE COMMITTEE AND WHAT IT LOOKS LIKE.

I IMAGE FUNDS SIT SOMEWHERE FOR A PERIOD OF TIME.

>> IF YOU COULD TALK ABOUT WHEN THE MONEY COMES IN, WHERE DOES IT GO, WHERE DOES IT SIT? WE HAVE TO FIGURE OUT DIFFERENT THINGS BEFORE SPENDING THE MONEY.

>> IT WON'T BE USED FOR ANYTHING I THINK IT'S IMPORTANT TO SAY THE ASSESSING DEPARTMENT IS WORKING LONG BEFORE THAT HAPPENS, WE STARTED BACK IN DECEMBER THERE ARE A LOT OF ADJUSTMENTS IN THE COLLECTION SOFTWARE AND WHAT NOT. WE'RE WORKING ON WORKING THAT OUT TO IMPLEMENT THE CPA. WHEN THE FIRST QUARTER BILL GOES OUT ON JULY 1st.

THAT FIRST QUARTER BILL IS PRINTED IN THE MIDDLE OF JUNE. WE'RE IN GOOD SHAPE TON ON THE TAX BILL FOR JULY FIRST. THERE WILL BE THE EXEMPTIONS VOTED FOR AND APPROVED. WE ALSO PUT OUR PUBLIC INFORMATION MATERIALS TOGETHER FOR.

THAT THERE IS A PRESENCE ON THE WEBSITE AND A INSERT. PEOPLE ARE REMAINED THEY VOTED FOR THIS AND WHAT IT MEANS AND WHERE THE MONEY IS GOING. WE WANT TO HIT THE GROUND RUNNING ON JULY 1st WHEN WE SEND OUT THE BILL FOR THE FIRST TIME.

>> THAT'S ALL THE QUESTIONS I HAVE.

THANK YOU, RON, TO YOU AND YOUR TEAM, THE PROCESS OF ANSWERING OUR QUESTIONS WHAT IT COMES TO GETTING OUT NO COMMUNITY AND CONVINCING RESIDENTS THIS WAS GREAT FOR THE CITY.

YOUR OFFICE IS INVALUABLE FOR. THAT THANK YOU FOR ALL YOU DO.

>> THANK YOU COUNCILLOR.

>> COUNCILLOR O'MALLEY.

>> THANK YOU, MR. CHAIRMAN.

THANK YOU COUNCILLOR CAMPBELL, FOR YOUR LEADERSHIP IN PASSING THE CPA YOU TACKLED IN YOUR FIRST TERM.

IT WAS A HIGH POINT ON A DREARY

ELECTION DAY.
COMMISSIONER, I NEVER MISS THIS HEARING FOR A NUMBER OF REASONS. SIR, YOU SERVE ONE OF THE MOST IMPORTANT ROLLS IN THE CITY. YOU SERVE WITH HONOR, DISTINCTION.
HOW MANY YEARS YOU HAVE BEEN WITH THE CITY NOW.
>> COUNCILLOR, I DON'T LIKE TO THINK ABOUT THAT ANYMORE. OVER 30 YEARS I HAVE BEEN WITH THE CITY.
THIS IS MY 25th YEAR AS COMMISSIONER.
>> UNDER THREE MAYORS AS COMMISSIONER.
>> UNDER THREE.
HE.
>> CLEARLY THE LONGEST SERVING COMMISSIONER BY FAR.
>> THINK SALLY MAY HAVE ME BEAT.
>> A CLOSE SECOND.
>> WE WON'T APPRECIATE THAT.
>> I WAS WONDERING THE RECORD FOR COUNCIL APPEARANCES AND HEARINGS.
I THINK I MAYBE CLOSE TO THAT.
>> YOU MAY.
WE WILL GIVE YOU A EXTRA PATTED CHAIR.
YOU SERVED SO WELL AND A IMPORTANT ROLL.
YOUR TEAM IS AMAZING.
SPECIAL PROPERTIES TO -- BEING A TENTATIVE AND PROFESSIONAL. THESE ARE SENSITIVE QUESTIONS. OFTEN TIMES THESE ARE PERSONAL AND SENSITIVE QUESTIONS WE HOPE TO HELP OUR CON T +*EUS STILL UNITS NAVIGATE.
YOU'RE TERRIFIC.
THANK YOU FOR YOUR SERVICE.
A COUPLE OF QUICK QUESTIONS. WE HAVE TALKED ABOUT PILOT. A APPRECIATED YOUR COMMENTS. THIS IS SOMETHING WE HAVE GRAPPLED WITH.
IT'S GOTTEN BETTER BUT THERE IS ROOM FOR IMPROVEMENT.
DO YOU HAVE A DEDICATED STAFFER WHO HAS A JOB TO PILOT OVERSIGHT OR DOES THAT FALL TO YOU

DIRECTLY?

>> WE HAVE A POLICY IN THE DEPARTMENT LEAD BY MATT. HE'S -- HE PROVIDES A LOT OF THE STAFF WORK ON IT THEY ARE DEDICATED TO THIS.

>> FANTASTIC.

SO IT'S CLEAR.

I GOT CONFLICTING INFORMATION. WHEN THERE IS A FOR PROFIT RESTAURANT ARE THE BUSINESSES CHARGED A PROPERTY TAX?

>> THEY ARE.

WITH THE EXCEPTION.

LET'S PUT IT THIS WAY.

WHEN THERE IS A FOR PROFIT ENTITY THAT LEASES SPACE ON A NON PROFIT THEN WE CAN CARVE OUT THAT PORTION OF THE PROPERTY THAT IS USED BY THE FOR PROVE AND THE SEND A TAX BILL.

>> THOSE YOU HAVE TO PAY.

>> THOSE ARE NOT VOLUNTARY.

>> THERE ARE SITUATED WHERE THERE MAYBE A PRIVATE ENTITY PROVIDING THE FOOD SERVICE FOR THE INSTITUTION.

THEY ARE LIKE A MANAGEMENT CONTRACT.

>> IT WOULD BE --

>> WHAT A NON PROFIT THAT RUNS IT'S OWN BOOKSTORE OR CAFETERIA.

>> THERE IS A DIFFERENCE IF THERE IS JUST A CAFETERIA THAT IS THERE TO SERB THE INSTITUTIONAL USERS THEN IT WOULD BE EXEMPTIONS.

IN A SITUATION.

WE HAVE ONE IN THE PUBLIC LIBRARY HERE.

THERE IS A RESTAURANT THERE. THAT IS CARVED OUT OF THE PUBLIC LIBRARY AND ASSESSING A TAX TO THE LESSEE OF THAT.

>> GOOD.

AND I GUESS WHAT ARE SOME STRAT STRATEGIES, ABOUT 31/\$32 MILLION COLLECTED THIS CALENDAR YEAR.

WHAT ARE THE STRAT SQUEEZE TO, THAT IS THIS IS JUST OVER WHAT HALF OF WHAT WE SUGGESTION.

WHAT IS THE STRATEGY TO GROW THAT NUMBER?

>> I THINK PART OF THE STRATEGY

IS SENDING OUT NOTICED.
FOR THE INSTITUTION THAT'S ARE
NOT PAYING.
I THINK THE MOST IMPORTANT IS
PUBLISHING THE RESULTS ON THE
WEBSITE.
TRANSPARENCY IS VERY IMPORTANT
FOR THE PROGRAM AND FOLKS TO SEE
THE INSTITUTIONS PAYING AND
WHICH ARE NOT.
I THINK THAT'S IMPORTANT TO US.
WE WILL CONTINUE TO DO THAT.
ALSO IT'S NOT JUST A STICK IT'S
A CARROT.
WE ALSO, THE SERVICES PROVIDED.
WE ARE GETTING ALL OF THE
INFORMATION THAT THE INSTITUTION -- WE TRY TO GET
THOSE OUT ON THE WEBSITE SO
RESIDENTS CAN SEE THE SERVICE
THAT'S THE INSTITUTION PROVIDES
DIRECTLY.
I GUESS THE LAST THING IS THAT,
THAT SERVICE ISSUE IS A
IMPORTANT ONE.
WE TALK WITH INSTITUTIONS.
ALLOW THEM IN THE PILOT PROGRAM.
THEY UNDERSTAND OUR CONCERNS.
THE INSTITUTIONS DO GREAT
THINGS.
A LOT OF BENEFITS OF THE
INSTITUTIONS GO BEYOND THE
CITY'S WORDERS TO THE COUNTRY
AND THE WORLD.
YET IT'S BOSTON THAT HAS THE
EXEMPTS.
WE'RE TRYING TO SENSITIZE THEM
TO THAT.
>> DO ANY OTHER MAJOR AMERICAN
CITIES THAT YOU THINK WE SHOULD
ENTERTAIN.
>> AS I SAID TO COUNCILLOR
CAMPBELL OUR PROGRAM IS BY FAR
THE LARGEST TKPH THE MOST
SUCCESSFUL.
NO ELSE IS EVEN A CLOSE SECOND
IN TERMS OF THE REVENUE.
WHEN YOU THINK ABOUT IT BOSTON
RELIES HEAVILY ON THE PROPERTY
TAX.
WE'RE UNIQUE --
>> YES.
>> NUMBER TWO, WE HAVE
52 PERCENT OF OUR LAND AREAS
EXEMPT FROM THE PROPERTY TAX.

IT'S VERY HIGH.
>> WE ARE HIGHER THAN WASHINGTON
DC IN THAT REGARD.
>> IT'S AN OUTLIER BECAUSE OF
THE FEDERAL GOVERNMENT.
IF YOU TAKE THEM OUT OF PLAY.
YOU LOOK AT PRIVATE, 52% IS
PUBLIC AND PRIVATE.
-- THE LARGEST LAND OWNER IS THE
STATE AT 25%.
>> WHAT IS NUMBER TWO?
>> THE CITY.
>> WHAT IS NUMBER THREE?
>> MASS PORT IS PROBABLY NUMBER
THROW.
THEN YOU GET TO THE PRIVATE
INSTITUTIONS.
THAT'S WHERE WE HAVE A HIGHER
CONCENTRATION.
>> THINK YOU'RE RIGHT.
>> I -- I MET WITH FORMER CITY
COUNCILOR LARRY BICARA
YESTERDAY.
WE WERE TALKING ABOUT BUDGETS.
YOU KNOW, HE FOLLOWS IT CLOSELY
STILL.
I TOLD HIM THAT THIS YEAR'S
BUDGET WE'RE AT 70% OF OUR
REVENUE GOING FROM PROPERTY TAX.
HE SAID WHEN HE WAS FIRST
ELECTED IN 1970s THAT WAS THE
NUMBER.
WHEN PROP 2.5 HAPPENED IT WEPT
DOWN TO 50%.
WE WERE SHOCKED WE WERE STILL AT
THE NUMBER.
A ISSUE IS WE DON'T HAVE A
DIVERSE STREAM OF REVENUE TO
DRAW FROM THE WAY MANY CITY
DOZEN.
ANY LAST QUESTION, TWO
QUESTIONS.
ONE -- WE ALL DEAL IN OUR
DISTRICT WAY NUMBER OF PROBLEM
PROPERTIES.
THE TIP EMPTY -- FEWER THAN FIVE
YEARS AGO.
PROPERTY IS VALUABLE.
I CAN THINK OF FOUR CLOSE TO MY
HOUSE THAT HAVE SAT EMPTY.
ONE OF THE FIRST THINGS WE DO
GETTING COMPLAINTS IS MAKE SURE
THE TAXES ARE PAID UP.
THEY OFTEN TIMES ARE.

I CAN THINK OF THE HOUSES
SITTING EMPTY FOR TEN YEARS OR
MORE.

IS THERE ANYWAY, MAYBE THIS
WOULD BE A ORDINANCE WE WOULD
HAVE TO PASS.

I'M NOT SUGGESTED IT, BUT A
STRATEGY, TO INCREASE THE
PROPERTY TAX ASSESSMENT ON AN
ABANDONED PROPERTY ONCE IT'S
ABANDONED FOR MORE THAN FIVE OR
TEN YEARS.

>> I DON'T THINK YOU COULD
INCREASE THE TAX ITSELF.
BECAUSE THE -- WE'RE REQUIRED TO
ASSESS PROPERTY AT FULL MARKET
VALUE BY CONSTITUTION.

THE STATE CONSTITUTION.
NOW, WHETHER OR NOT THERE COULD
BE A FINE OR A FEE, IF IT'S
ABANDONED OR SOMETHING LIKE
THAT, THAT'S A DIFFERENT MATTER.
FOR THE TAX ITSELF, IF WE ADDED
ANY VALUE TO IT OR WHAT NOT,
THAT WOULD LIKELY RUN A RYE OF
THE CONSTITUTIONAL -- I DON'T
THINK THAT.

>> WE WILL TABLE THAT.
MAYBE DISCUSS LATER WITH MY
COLLEAGUES.

FINALLY WHEN VERIZON IS LAYING
IT'S FIOS, FIBEROPTIC CABLES
DOES THAT COME UNDER THE
TELECOMMUNICATION TAX.
DO WE GENERATE REVENUE FOR THAT.

>> THERE IS THAT.
THERE IS A PROPERTY TAX THAT
VERIZON PAYS.

WHEN I TALK ABOUT PERSONAL
PROPERTY TAXES AND NEW GROWTH.

>> FIOS IS INCLUDED.

>> FIOS WILL BE PART OF.
THAT VERIZON JUST STARTED
ROLLING THAT OUT THIS CALENDAR
YEAR.

SO FOR FISCAL 1 WE'RE LOOKING AT
THE GROWTH TO THE TAX BASE
TAKING PLACE IN CALENDAR YEAR
16.

NONE OF THAT WILL BE BUILT IN.
WHEN WE GET TO FISCAL 19 I'M
SURE VERIZON WILL HAVE
ADDITIONAL PROPERTIES AND THAT
WILL BE TAXABLE.

>> THAT IS --
>> THAT WILL HAVE A POSITIVE
IMPACT ON OUR TAXES.
>> YES.
NO DOUBT WE FOUGHT HARD FOR
THIS.
COMPETITION IS ALMOST ALWAYS
GOOD FOR THE CONSUMER AND
TAXPAYER AS WELL.
THANK YOU, COMMISSIONER TO YOU
AND YOUR TEAM.
>> COUNCILLOR ESSAIBI-GEORGE.
>> THANK YOU FOR BRINGING UP
MASS PORT.
DO THEY PARTICIPATE IN PILOT.
>> THEY DO.
THEY HAVE A SEPARATE PAYMENT CAP
AGREEMENT WITH THE CITY.
IT'S NOT INCLUDED WITHIN THE
\$32 MILLION.
>> RIGHT.
WHAT IS THAT?
>> LET ME SEE IF I HAVE THAT
AVAILABLE.
>> SO THE MASS PORT PILOT FISCAL
17 WAS \$18.9 MILLION.
>> WAS THAT -- WAS THAT SHORT AT
ALL WHAT WE REQUESTED?
>> NO.
>> THEY PAID A HUNDRED PERCENT.
>> A HUNDRED PERCENT.
IT'S AN AMOUNT THAT, THERE IS A
BASE AMOUNT AND IT GROWS EACH
YEAR BASED ON THE INFLATION RATE
AND THE NUMBER OF --
>> THEY'RE ALSO PICKING UP A LOT
OF PROPERTY.
I SAW T THE RENAISSANCE HOTEL,
THE SEAPORT, THEY OWN THAT.
IT'S ALSO UNDER A 121A.
I THOUGHT WE WERE SUNSETTING
THAT IF I CAN RECALL FROM OUR
CONVERSATION LAST YEAR
SOMEWHERE.
>> YOU HAVE A REALLY GOOD
MEMORY.
>> I HAVE NOTES.
>> GOOD NOTES.
>> THE RENAISSANCE HOTEL IS MASS
PORT PROPERTY.
ACTUAL ACTUALLY THIS FISCAL YEAR
18, THIS COMING FISCAL YEAR THE
121A STATUS WILL END, I THINK IT
MAY OF ENDED.

SO IT WILL BE TAXABLE.
AS REAL ESTATE TAXES IN FISCAL
18.
MASS PORT HAS SOME OF THE MORE
COMPLICATED ENABLING STATUTES
WHEN IT COMES TO TAXES FOR STATE
AUTHORITY.
THE EASIEST WAY TO THINK ABOUT
IT IS THE AIRPORT ITSELF ASK THE
LESSEES THERE WE CAN'T TAX.
>> EVEN THE FOR PROFIT
BUSINESSES?
YOU CAN'T CAVERN THEM OUT?
>> NO, WE'RE NOT PERMITTED TO DO
THAT.
>> OH THE EAR BUDS ARE EXPENSIVE
AT THE AIRPORT.
>> THEY DO PAY THE PILOT.
>> RIGHT.
>> TO REFLECT.
THAT.
>> IN SOUTH BOSTON THE
COMMONWEALTH FLATS AREA, ANY
LESSEE THERE WE CAN TAX.
WHEN YOU LOOK AT THE WORLD TRADE
CENTER, THE RENAISSANCE HOTEL.
THE NEIGHBORING APARTMENT
BUILDINGS.
THAT IS ALL BUILT ON MASS PORT
PROPERTY, WE CAN TACK THE
LESSEES OF THE PROPERTIES AS IF
THEY OWNED THEM.
WE DON'T LOSE REVENUE THERE.
WHEN I GET TO EAST BOSTON AND
CHARLES TOWN IT'S MORE
COMPLICATED.
WE CAN ONLY TAX LESSEES IF THE
PROPERTY WAS TAXABLE BEFORE MASS
PORT TOOK IT OVER.
THERE IT IS A MIXED BAG.
WE HAVE CONCERNS.
THERE IS AN APARTMENT PROPERTY
THAT WAS BUILT ON THE EAST
BOSTON SIDE ON MASS PORTLAND.
WE CURRENTLY CAN NOT TAX.
THERE ARE A FEW THINGS.
AN OFFICE BUILDING IN CHARLES
TOWN, CONSTITUTION PLAZA.
NOTHING TO DO WITH THE AIRPORT.
THAT WE CAN NOT TAX THAT LESSEE.
THAT, THAT PROPERTY WAS FORMALLY
OWNED BY THE U.S. NAVY.
IT WASN'T TAXABLE BEFORE.
WE HAVE HAD LEGISLATION THAT WE

FILED TO ADDRESS SOME OF THE ISSUES.
IT'S UP THERE AGAIN.
THIS, THIS LEGISLATIVE SESSION, WE CERTAINLY ARE GOING TO HAVE CONVERSATIONS WITH, WITH DIRECTOR GLEN AND THE MASS PORT FOLKS ABOUT SOME OF THOSE SITUATIONS AND WHAT NOT.
>> WHAT IS THE POTENTIAL REV NOW IF WE TAXED THOSE CURRENTLY AND THEN SORT OF --
>> I DON'T HAVE AN EXACT NUMBER FOUR YOU.
SEVERAL MILLION DOLLARS.
>> YES, CAN YOU JUST SEND US THAT INFORMATION.
IT WOULD BE INTERESTING TO KNOW WHAT THE PROPERTY IS, WHAT THE POTENTIAL REV NOW COULD BE AND THEN WHEN YOU DO THE MATH OVER THE YEARS THAT WE HAVEN'T BEEN ABLE TO COLLECT.
WHAT THAT, WHAT THAT LOSS OF ALL OF THE YEARS OF REV NOW WOULD OF BEEN.
>> YES.
THINK WE HAVE A FACT SHEET WE PUT TOGETHER ON THAT MASS PORT LEGISLATION.
I THINK THAT WILL ADDRESS THAT.
>> AND THEN, MY LAST QUESTIONS IS ONE OF MY STAFF MEMBERS WERE LOOKING AT THE MILLENNIUM POWER. THERE WAS A LOT OF QUESTIONS ABOUT THE LARGEST CONDO SALES AND THE TOWER HAD MORE FIVE MILLION DOLLARS SALES THEN THE ENTIRE BOSTON CONDO MARKET.
WHEN WE LOOK AT THE TAX REVENUE FROM THE PROPERTY ON THE WEBSITE WE CAN'T FIND ANY, AS IF NONE HAS BEEN PAID.
>> OH T HAS BEEN PAID.
REMEMBER WITH THE PROPERTY TAX DATE THE LEAN DATE IS ALWAYS A YEAR BACK.
WHEN YOU LOOK AT ADVERTISE TKAL 17 ON THE WEBSITE WE'RE ACTUALLY LOOKING AT PROPERTIES AS THEY EXISTED AS 1-1-16.
>> OKAY.
>> SO FOR FISCAL 18 WE'RE AT 1-1-17.

AS THE MILLENNIUM CONDOES WERE UNDER CONSTRUCTION THERE IS A SEPARATE PARCEL THAT REFLECTS THE PARTIALLY COMPLETED MILLENNIUM TOWER.
FOR FISCAL 18 THE CONDOS WERE CREATED BEFORE THE START OF THE FISCAL YEAR.
SO, AS A RESULT THEY -- WHEN THEY GO ON-LINE NEXT YEAR THEY WILL ACTUALLY SEE THE CONDOS RECORDED ON THE WEBSITE INDIVIDUALLY ASSESSED FOR THE FIRST TIME.
THAT WILL BE A, A SOURCE OF GROWTH FOR US FOR FISCAL 18. KWEPB IT'S THE RESIDENTIAL RATE NOT THE COMMERCIAL RATE. IT'S STILL A SUBSTANTIAL NUMBER.
>> VERY GOOD.
THANK YOU.
THANK YOU, CHAIRMAN.
>> -- 34 MILLION-DOLLAR CONDO.
>> THINK 35.
>> WE NEED MORE OF THOSE.
>> COUNCIL BAKER.
>> -- YOU WENT THROUGH THE MASS PORT AND THE BUILDINGS WE COULDN'T TAX.
DID YOU ASK WHAT THE TAX REVENUE WOULD BE.
>> I WAS ASKING WHAT IT WOULD BE, CURRENTLY WHAT WE USE FOR THIS CURRENT FISCAL YEAR. HOW MANY YEARS HAVE WE NOT BEEN ABLE TO ACCESS.
THAT.
>> THANK YOU.
I MISSED PART OF THE QUESTION.
HI, RON.
HOW ARE YOU?
>> GOOD COUNCILLOR.
YOURSELF.
>> GOOD.
JUST ONE QUICK QUESTION.
HOW IS THE, HOW IS IT THE TAX -- I THINK WE PASS A TAX DEFERRAL. ARE PEOPLE TAKING ADVANTAGE OF THAT?
IS IT JUST ELDERLY WHO CAN DO THE DEFERRAL.
>> THAT'S A INTERESTING QUESTION.
THE 41A TAX DEFERRAL PROGRAM THE

ONE IN PLACE FOR A NUMBER OF YEARS.
YOU HAVE TO BE 65 OR OLD TO RECALL TOY FOR.
THAT THERE WE CONTINUE TO DO OUTREACH ON THAT AND ENCOURAGE OUR SENIORS TO PARTICIPATE. A LOT ARE JUST RELUCTANT TO DO SO.
THINK IT'S PRIMARILY BECAUSE THEY WANT TO LEAVE THE PROPERTY TO THEIR HEIRS.
>> THEY MAY THINK IT'S A -- HEIRS.
>> WE HAVE A FAVORABLE INTEREST RATE ON THE DEFERRED TAXES. AND HAVE TRIED TO MAKE IT AS EASY AND CONVENIENT AS POSSIBLE FOR PEOPLE TO APPLY FOR IT WE HAVE INCREASED OUR NUMBERS. I THINK WE'RE SOMEWHERE BETWEEN 25 AND 30 TAKING ADVANTAGE OF THE PROGRAM.
>> THAT'S THE WHOLE CITY.
>> YES WHEN YOU THINK OF A NEIGHBORHOOD LIKE SOUTH BOSTON. WE SEE PROPERTIES THAT WERE NOT TOO LONG AGO, TWO HUNDRED, THREE HUNDRED THOUSAND NOW \$1.5 MILLION. THEY HAVE A HUGE WIND FALL OF NET WORTH BUT THE TAXES HAVE GONE GREAT WAY TO TAP INTO SOME OF THAT EQUITY, TO HELP OUT WITH SOME OF THOSE TAXES.
>> YEAH.
>> SO WE CONTINUE TO TELL PEOPLE ABOUT THE PROGRAM AND ENCOURAGE THEM.
>> HOW OLD IS THAT PROGRAM?
>> THAT'S BEEN AROUND FOR DECADES.
BUT THE NEW PROGRAM THAT WE ALSO HAVE, THAT WE WORK WITH COUNCILOR LINEHAN --
>> WHAT IS THAT ONE?
>> THAT IS THE LONG TERM HOMEOWNER PROGRAM.
SO WE TROP THE AGE ON THAT TO 55.
>> THAT IS THE ONE THAT I'M --
>> OKAY SO --
>> BECAUSE WE JUST PASSED THAT LAST YEAR CORRECT?

>> WE PASSED IT AND UNFORTUNATE UNFORTUNATELY IT DIDN'T GET PASSED AT THE STATE HOUSE UNTIL THIRD QUARTER.

WE'VE HAD IT OUT THERE AND PUT SOME MATERIALS TOGETHER FOR IT. WE COULDN'T HAVE PUT SOME MATERIALS OUT THERE WE NORMALLY WOULD HAVE.

BUT THAT'S OUT THERE FOR 55 YEARS, WE DROPPED THE AGE TEN YEARS AND IT'S REALLY AIMED FOR PEOPLE WHO HAVE SEEN A SPIKE IN THEIR PROUD VALUE, SEEN THE SPIKE IN THE REAL ESTATE MARKET, AND HELP THEM WITH THE SPIKE THIS THEIR PROPERTY VALUES. THE TIMING WAS A LITTLE BIT OFF FOR FISCAL 17 BUT WE'LL CERTAINLY MAKE SURE THAT'S PART OF OUR RELIEF OPTIONS AS WE GO FORWARD IN FISCAL 18 AND BEYOND.

>> OKAY, AND WHAT ABOUT THE ABATEMENT THAT PEOPLE CAN APPLY FOR THAT'S IN FRONT OF US NOW LIKE IF YOU BUY IN JANUARY OR FEBRUARY, YOU'RE NOT ELIGIBLE FOR THE -- CAN YOU MAYBE EXPLAIN WHAT -- LIKE HOW MANY UNITS OR HOW MANY PEOPLE LIKE MISSED OUT ON THAT, HOW MANY WILL LIKE EXPLAIN WHO DO YOU THINK IS GOING TO BENEFIT FROM IT?

>> HOW MANY LIKE LAST YEAR TRIED DO IT AND WEREN'T ABLE TO?

>> I WON'T HAVE EXACT NUMBERS OF FOR YOU ON THAT BUT WE HAVE BEEN WORKING WITH COUNCILOR O'MALLEY COUNCILLOR CIOMMO FOR A WHILE NOW.

AND WE ARE VERY PLEASED TO HAVE THE COUNCIL PASSED THAT AND FRIENDS AT THE STATE HOUSE WILL ALSO SEE FIT TO DO THE SAME. THE RESIDENTIAL EXEMPTION HAS GONE UP, NOW IT'S SET AT \$2400. WE ARE CONSTANTLY FACED WITH THAT RESIDENTIAL EXEMPT THEY DON'T? QUALIFY FOR EXEMPTION UNTIL FOLLOWING YEN.

IT'S NOT A HUGE NUMBER -- FOLGT JANUARY.

THE TYPICAL SITUATION I OWN A SINGLE FAMILY HOUSE, I SETTLE IT TO YOU YOU ARE GOING TO GET THE

BFS OF MY RESIDENTIAL EXEMPTION FOR THE FIRST YEAR AND YOU'LL APPLY FOR IT IN YOUR OWN RIGHT THE SECOND YEAR.

THERE ARE SITUATIONS WH WHERE YOU BUY FROM AN INVESTOR WHO AREN'T RECEIVING A RESIDENTIAL EXEMPTION THOSE ARE THE SITUATION.

THOSE ARE USUALLY A FEW HUNDRED A YEAR THAT QUALIFY.

EXTENDING THAT TO JULY 1st, ANYBODY WHO BUYS THAT PROPERTY FROM JANUARY 1st TO JULY 1st, THE END OF THE FISCAL YEAR, WILL STILL QUALIFY FOR THAT.

>> IF YOU BUY IN IN AUGUST OR SEPTEMBER THEN YOU'RE OUT LIKE TWO QUARTERS OR WHATEVER.

>> RIGHT.

AND AT THAT POINT, THE FISCAL YEAR HAS ALREADY STARTED.

>> YES, YES.

>> I THINK THAT'S REASONABLE.

>> AND MY LAST QUESTION AND COUNCILOR ESSAIBI-GEORGE TRYING TO GET HER TO CHANGE HER NAME, SHE WAS ASKING ABOUT MILLENIUM.

>> YOU'VE KNOWN ME THE LONGEST TOO.

>> YOU WERE ALWAYS ANNISSA. YOU WERE ALWAYS AH ANNISSA. WHAT IS OUR BENEFIT, WHAT ARE WE REALIZING NOW IN JUST TAXES COMING TO YOU WILLIAM.

>> SO I TOOK A LOOK AT WHEN THE CONDOS, ALL THE CONDOS COME ONLINE AND ARE FULLY TAXABLE, THAT'S GOING TO BE ABOUT TECHNOLOGICAL TO \$11 MILLION A YEAR IN NEW PROPERTY TAXES JUST FROM THE CONDO LAW SCHOOL ALONE. ALONE.>> THAT ISN'T ALL CONDO, THAT IS JUST THE RESIDENTIAL --

>> THE OLD BUILDING THOSE ARE COVERED BY 121B AGREEMENTS SO WE STILL GET A PILOT PAYMENT FOR THOSE?

>> YES.

IF YOU LIKE I CAN GET YOU THE NUMBERS ON THOSE BUT THOSE ARE ALSO GROWING.

>> ON THE 121 HOW MUCH LONGER

WILL THAT 121 BE AVAILABLE TO THEM?

>> I BELIEVE WHEN WE PUT THEM IN PLACE, AND THIS WAS BEFORE THE CONSTRUCTION STARTED THEY WERE TEN-YEAR AGREEMENTS.

SO THEY PROBABLY HAVE ABOUT SEVEN YEARS TO RUN.

>> SEVEN YEARS FROM WHEN THEIR CONSTRUCTION STARTED?

>> THEY WERE STRUCTURED ON THE WAY, THEY GAVE A LOT OF RELIEF TO THE PROPERTY OWNER WHEN THE PROPERTY WAS CONSTRUCTED. THEY ALSO RARCHL UP PRETTY QUICKLY.

WHEN YOU GET TO THE LATER YEARS OF THE 121 AGREEMENT, IT WOULD HAVE BEEN CLOSE TO --

>> MORE ON THE FRONT END WHEN THEY WEREN'T GENERATING?

I KNOW I JUST SAID ONE QUESTION BUT ONE LAST QUESTION.

WHAT DOES IT TAKE LIKE FOR A DEVELOPMENT TO APPLY FOR 121?

>> THAT REALLY DEPENDS.

I MEAN, GENERALLY --

>> LIKE WHAT ARE THE PARAMETERS? WHO WOULD BE ELIGIBLE?

>> IT REALLY KIND OF DEPENDS ON THE PROJECT.

121B THERE'S VERY SPECIFIC PARAMETERS.

THERE HAS TO BE SOME GOVERNMENT OWNERSHIP.

SPECIFICALLY TO ALLOW THAT.

THERE IS IN THIS CASE A PORTION OF OWNERSHIP RIGHTS THAT BRA HAD THAT ALLOWS YOU TO USE THAT.

>> DOWN AT MILLENIUM TOWERS?

>> AT A ALLOWED US TO USE THAT AT THAT INSTANCE.

IT'S REALLY DRIVEN BY NEED.

IN NOR RECENT YEARS AS THE REAL ESTATE MARKET HAS HEATED UP, WE REALLY HAVEN'T DONE MUCH IN TERMS OF TAP INCENTIVES AND HAVEN'T NEEDED TO TO AID DEVELOPMENT.

WE LOOK AT MILLENIUM TOWER AND SEE HOW SUCCESSFUL IT WAS BUT WHEN THOSE GUYS STARTED THAT NOBODY REALLY KNEW WHETHER SOMEBODY WOULD PAY OVER \$1,000 A

SQUARE FOOT FOR A CONDO IN
DOWNTOWN CROSSING AT THAT TIME.
SO THEY TOOK A LOT OF RISK ON
THAT PROPERTY.
AN AREA THAT REALLY HAS SOME
CHALLENGES.
>> WHAT ABOUT THE PROJECT DOWN
ON SOUTH BAY WOULD THEY BE
ELIGIBLE?
NO GOVERNMENT OWNERSHIP THERE.
>> NOT FOR 121 B BUT OTHER TAX
INCENTIVES.
YOU WOULD REALLY HAVE TO LOOK AT
WHAT THE RISKS WERE TO THE
DEVELOPER CAN THE PROJECT
SUPPORT ITSELF WITHOUT TAX
ASSISTANCE?
WE GIVE OUT TAX INCENTIVES AS A
LAST RESORT.
>> YES.
>> WE STILL RELY HEAVILY ON THE
PROPERTY TAX, WE NEED THAT
GROWTH REVENUE TO PAY THE BILLS
AROUND HERE.
SO TAX INCENTIVES ARE REALLY
GIVEN OUT ON AN EXCEPTION BASIS.
AND IT'S ONLY IN AN INSTANCE
THAT WE DEEM CRITICAL CAN'T MAKE
IT ON ITS OWN.
NOW THE WAY THE REAL ESTATE
BUSINESS IS GOING, IT'S REALLY
CRITICAL.
WE LOOK AT THE NUMBERS AND WE
SAY YOU DON'T NEED ASSISTANCE TO
EARN A DECENT RETURN.
>> THANK YOU MR. CHAIR.
>> I JUST WANTED TO FOLLOW UP ON
A QUESTION THAT FRANK BAKER
ASKED ABOUT.
THE TAX DEFERRAL PROGRAM.
IF YOU SEE A SENIOR AND I'M
ASSUMING -- YOU HAVE GREAT STAFF
BY THE WAY, AND I WANT TO GIVER
A SPECIAL RECOGNITION TO VANESSA
WEATHER THAT HAS HELPED US, AND
PROFIT INERTIAS IN THEM AND
DOING GREAT WORK.
-- PROVE CENTERS IN THEM AND
DOING GREAT WORK.
IF A PERSON SEES AN ELDERLY
PERSON FALLING BEHIND IN THEIR
TAXES DO WE ACT PROACTIVELY TO
SAY YOU ARE NOT PAYING YOUR
TAXES, WHY, YOU HAVE THIS OPTION

IF YOU CANNOT AFFORD THEM?

>> ABSOLUTELY.

WE WORK WITH THE ASSESSOR'S OFFICE.

IF THEY FIND SOMEBODY WHO'S ELDERLY BEHIND IN THEIR TAXES, WHERE THE DEFERRAL PROGRAM IS CRITICALLY IMPORTANT IS IF YOU DON'T PAY YOUR TAXES YOU ACCRUE INTEREST AT 14% INITIALLY AND ONCE YOU GET ADMITTED TO TAX TITLE, IT'S 16%.

SO THAT ADDS UP REALLY QUICKLY. SO YOU DON'T WANT PEOPLE PAYING 14 OR 16% INTEREST RATES WHEN THEY CAN GET INTO A DEFERRAL PROGRAM AND ONLY PAY 4%.

>> I HAD NO DOUBT DID YOU THAT, BUT THOUGHT IT SHOULD BE MADE PUBLIC.

ONE LAST THING SINCE WE ARE TALKING WHEN TAX INCENTIVES, WE DID A TIFF, LIBERTY MUTUAL, HOW LONG WAS THAT, 09?

>> I THINK 09 WHEN WE DID LIBERTY MUTUAL.

>> THE CLIMATE WAS DIFFERENT IN THERE, EIGHT OR NINE YEARS IN THEY HAVE A TEN OR 15 YEAR TIFF?

>> THAT ONE MIGHT BE 20 YEARS.

AGAIN IT IS A RAMPUP ONE.

A LOT OF ASSISTANCE GIVEN EARLY ON AND IT RAMPS UP ABOUT.

>> I'M CURIOUS, WITH THE EXPLOSION ESPECIALLY THE PAST FEW YEARS, WE DID A LOT OF FORECASTING BACK THEN.

DO WE KNOW IF WE ARE AT THOSE FORECASTS OR FALLING SHORT OR EXCEED THEM AT THIS POINT?

WE -- EXCEEDING THEM, GIVING THOSE BIG CORPORATIONS TAX BREAKS.

AT THAT TIME IT WAS ALMOST UNANIMOUS IF IT WAS NOT UNANIMOUS THAT THAT WAS AGAIN A COST-BENEFIT ANALYSIS, WE AGREED THAT WE SHOULD HELP THEM OUT, JUST KEEP THEM HERE IN THE COMMONWEALTH, PARTICULARLY IN BOSTON, AND DO YOU HAVE ANY SENSE OF WHERE WE'RE AT?

>> WELL IN THE TERMS OF FORECAST I'D LIKE AT A COUPLE OF THINGS,

NUMBER ONE DID THE COMPANY
COMMIT TO THE FORECAST THAT THEY
MADE, LIBERTY MUTUAL,
ABSOLUTELY.

>> EMPLOYMENT AS WELL.

>> THEY COMMITTED TO AN
ADDITIONAL 500 JOBS.

THEY MET THAT COMMITMENT EARLIER
THAN THEY NEEDED TO, AND HAVE
GROWN IT BEYOND.

BUT THEY REPORT TO US AND TO THE
STATE EVERY YEAR THEIR
EMPLOYMENT LEVEL.

SO THAT'S SOMETHING AGAIN THAT'S
MONITORED REGULARLY AND THE
OTHER THING IS THE TAX REVENUES
WE ARE GETTING IEIVE WITH THE
TIFF IN PLACE.

>> I FIGURED THAT BECAUSE NO ONE
FORECASTED THIS KIND OF
EXPLOSIVE DEVELOPMENT WE'RE
SEEING IN THE CITY.

AND WE DON'T HAVE THE TIME TO
LOOK THAT FAR BACK TO SEE DID WE
DO THE RIGHT THING, DID IT TURN
OUT WELL FOR THE CITY, DID WE DO
OUR DUE DILIGENCE AND FORECAST
FOR THE CITY?

I'M GLAD TO HEAR THAT BECAUSE IT
SORT OF VINDICATES THOSE OF US
WHO BROUGHT A LOT OF CRITICISM,
FOR DOING THAT.

AND J.P. MORGAN IS ONE I ALSO
RECALL.

AGAIN I DIGRESS.

>> ONE MORE QUESTION.

RON, I STILL HAVE SOME ABANDONED
BUILDINGS IN MY DISTRICT.

IS THERE ANY WAY, CAN YOU THINK
OF ANY WAY FOR US TO PUT MAYBE
MORE PRESSURE ON THE PEOPLE WHO
OWN THOSE BUILDINGS?

AND OF COURSE EVERYONE'S
DIFFERENT.

SOME MAY BE PROBATE, SOME MAY BE
TAXES.

IS THERE ANYTHING THAT WE COULD
BE DOING THAT WOULD MAYBE HELP
TO MOVE THOSE BUILDINGS -- I
MEAN I HAVE A COUPLE OF
BUILDINGS UP NEAR RONAN PARK
JUST OVER THE WEEKEND, JUST
GOING OVER 15 YEARS ABANDONED.
WHAT CAN WE DO?

>> WE HAD THAT CONVERSATION A
LITTLE BIT WITH COUNCILOR
O'MALLEY.

FROM A TAX INCREMENT, IF WE
TRIED TO DO ANYTHING ABOVE AND
BEYOND THAT, FEERCH WE DID A
STATUTE IT WOULD BE RULED
UNCONSTITUTIONAL.

SO WE DON'T HAVE A LOT OF
LEVERAGE THERE.

>> SO IF THEIR TAXES DON'T --
AREN'T MORE THAN WHAT THE
PROPERTY IS WORTH?

>> YEAH, OR LET'S SAY WE TRIED
TO ASSESS THEM AT MORE THAN THEY
WERE WORTH, EVEN AS AN
INCENTIVE, THEY WERE ABANDONED,
THAT WOULD FALL BEYOND THE
CONSTITUTION.

BECAUSE OF THAT HIGH INTEREST
RATE WE HAVE ON UNPAID TAXES, A
LOT OF TIMES EVEN IF IT IS THE
BANK OWNED PROPERTY, THEY WILL
PAY THE TAXES BECAUSE THEY DON'T
WANT TO PAY THE CITY 14 OR 16%
INTEREST.

>> THE ONE BILL THEY ARE PAYING
IS THE TAX.

>> AND WHAT YOU ARE LEFT WITH IS
SOME FEE OR FINE FOR
ABANDONMENT.

I THINK THAT'S BEEN EXPLORED
BEFORE.

I'M NOT AN EXPERT IN THAT BUT I
THINK THAT'S WHAT YOU'RE LOOKING
AT.

>> CONSALVO DID A HOME RULE TO
ASSESS FINES FOR NOT KEEPING THE
PROPERTY SECURE AND MAINTAINED.
YOU YOU KNOW, I THINK IT'S VERY
HARD TO ENFORCE.

BUT IF THEY'RE PAYING THEIR
TAXES LIKE YOU SAID THERE'S
REALLY NOT MUCH WE CAN DO.
ALL I WOULD SAY IF THIS GIVES
YOU ANY COMFORT.

LIKE THERE'S THREE, MORE THAN
THREE BUT THREE CURRENTLY THAT
HAVE BEEN ABANDONED AND VACANT
IN MY NEIGHBORHOOD.

ONE FOR 40 YEARS, A BURNT-OUT
SITE --

>> FOUR?

>> 40 YEARS, 40.

>> 40, FOUR-0.
>> EYESORE PARKING LOT FOR
COMMERCIAL VEHICLES THAT IS
ALMOST FINISHED WILL BE ON THE
TAX ROLLS SOON.
BLACK & DECKER ON MARKET
BIRMINGHAM PARKWAY VACANT
ABANDONED FOR 15 YEARS 135 UNITS
ARE GOING THERE.
AND ANOTHER ABANDONED PARCEL
THAT SOMEONE BOUGHT FINALLY THAT
WAS 30 YEARS.
>> YEAH.
>> BOARDED UP, YOU KNOW, JUST A
MESS.
>> THERE'S LESS AND LESS OF THEM
IN THE CITY IN ANY NEIGHBORHOOD
BUT I JUST HAVE A CLUSTER OF
THEM.
>> MY QUESTION TO THAT, THOUGH,
WHEN THEY GET RUN DOWN, WE DON'T
VALUE THEM LESS.
IN OTHER WORDS, THEY ARE STILL
USED COMPS FOR THE AREA TO
ASSESS THE VALUE?
>> RIGHT BUT IT IS THERE IN RUN
DOWN PHYSICAL CONDITION.
AGAIN THAT NEEDS TO BE
REFLECTED.
>> THAT'S A BAD INCENTIVE AND I
KNOW YOU HAVE NOTHING TO DO WITH
THAT.
BUT IF YOU LET YOUR PROPERTY GO
AND YOU KNOW, YOU IGNORE IT AND
YOU KIND OF REAP THE BENEFIT,
TAX-WISE.
ANYWAY.
>> THANK YOU, THANKS RON.
>> RON THANKS AGAIN AND AGAIN TO
YOUR ENTIRE TEAM, YOUR ENTIRE
STAFF.
WE VALUE WHAT YOU DO.
NO PUN INTENDED.
THIS HEARING'S ADJOURNED.