



## Legislation Text

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**File #:** 171142, **Version:** 1

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### 171142 SUBSTITUTE 1

#### ALD. COGGS, LEWIS, WITKOWSKI, MURPHY AND STAMPER

Substitute resolution directing the Commissioner of Assessments and the Commissioner of City Development to work with the Mayor and the Common Council to develop a plan and strategy to increase the number of payment-in-lieu-of-taxes agreements between tax-exempt property owners and the City of Milwaukee.

This resolution directs the Commissioner of Assessments and the Commissioner of City Development to work with the Mayor and the Common Council to develop a plan and strategy to increase the number of payment-in-lieu-of-taxes agreements between tax-exempt property owners and the City of Milwaukee.

Whereas, A payment in lieu of taxes, or "PILOT," is a voluntary payment made to local government to compensate it for some or all of the property tax revenues that it loses because of the tax-exempt status of the property owner making the payment; and

Whereas, PILOTs are a means for the City of Milwaukee to recover a portion of the City's costs of providing municipal services to tax-exempt properties, particularly large tax-exempt entities like colleges and medical facilities; and

Whereas, The City of Milwaukee has approximately 9,770 tax-exempt parcels, which constitute over 6 percent of all parcels in the City; and

Whereas, To date, the City has had little success in securing PILOTs from tax-exempt property owners, as evidenced by the fact that there are currently only 17 active PILOTs with payments totaling \$749,318 in 2016; and

Whereas, These 17 active PILOTs apply to 20 parcels - a mere 0.2% of all tax-exempt parcels in the city; and

Whereas, Other major American cities have had considerable success in obtaining PILOTs from tax-exempt property owners in their communities:

Baltimore - over \$7.3 million in 2015

Boston -- \$27.9 million in 2015

Providence -- \$9.9 million from colleges and hospitals in 2015

; and

Whereas, The Common Council finds that it would be beneficial for the City of Milwaukee and its property taxpayers to increase the number and aggregate amount of PILOT payments to the City; and

Whereas, Common Council Amendment #66 to the Mayor's 2018 Proposed Budget inserts a footnote for both the Assessor's Office and the Department of City Development that reads as follows:

“The Commissioner shall cooperate with the Mayor and the Common Council to develop a plan and strategy to increase the number of Payments in Lieu of Taxes entered into by tax-exempt entities and to formally report this plan and strategy to the Common Council.”

; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Commissioner of Assessments and the Commissioner of City Development are directed to work with the Mayor and the Common Council to develop a plan and strategy to increase the number of payment-in-lieu-of-taxes agreements between tax-exempt property owners and the City of Milwaukee; and, be it

Further Resolved, That the Commissioner of Assessments and the Commissioner of City Development shall present the plan and strategy for increasing the number of PILOT agreements to the Common Council within 120 days of adoption of this resolution.

LRB170301-2  
Jeff Osterman  
11/13/2017