

FOR IMMEDIATE RELEASE:
May 8, 2009

Bethlehem City Council Candidate Michael Recchiuti Proposes PILOT
Program to Increase City Revenue

BETHLEHEM, PA: Bethlehem City Council Candidate Michael Recchiuti proposed a program today that would allow Bethlehem to collect revenue in lieu of property taxes from non-profit landowners, including universities and hospitals.

Recchiuti's proposal calls for Bethlehem to pursue PILOT (Payment In Lieu Of Taxes) agreements with non-profit landowners within the city. PILOT agreements between non-profits and their municipalities are common nationwide and are designed to compensate for lost property tax revenue due to the non-profits' tax-exempt status.

"Lehigh has an endowment of over \$800 million and pays no property tax to the city because of its non-profit status. Many of Lehigh's peer universities located in similar sized cities to Bethlehem, including Colgate University and the University of Scranton, currently have PILOT agreements with their municipalities", Recchiuti said.

"In addition, PILOT agreements already exist within the City of Bethlehem. The Bethlehem Housing Authority currently has a PILOT agreement with both the city and the school district", continued Recchiuti.

Recchiuti noted that PILOTs are an issue of fairness, as well of necessity.

"PILOTs are absolutely a common thing across the country. The Lehigh community puts a significant strain on city services in the neighborhoods surrounding the campus. It is only fair that Bethlehem is able to recoup some of the lost revenue. In these tough economic times, this burden otherwise will increasingly be borne by Bethlehem's hard working citizens," Recchiuti said.

Recchiuti also noted that the City of Lancaster requests that all tax-exempt property owners within the city pay 25% of what their property tax bill would otherwise be, and that Lancaster General Hospital pays over \$1 million annually to the City of Lancaster. Franklin and Marshall College pays the City of Lancaster under this PILOT program, as well.

For more information on Michael Recchiuti, please visit www.mikeforcouncil.com