



Harrisburg PILOT Program Analysis



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PILOT PROGRAMS

- Stands for **Payment in Lieu of Taxes**
- Negotiated agreements where a tax-exempt entity makes direct payments to The City government rather than paying traditional property taxes
- Allows tax-exempt organizations to provide funding to the City
- Provides municipalities with predictable revenue on a fixed annual schedule



HARRISBURG IS UNIQUE

Approximately 40-50% of properties within the City are tax exempt.

- The Commonwealth owns at least \$300 million in assessed property value
- Not-for-profits, universities, the County, and religious centers utilize at least \$200 million assessed property value

Possible tax revenue equates to at least \$5 million

- This does not include key revenue streams such as mercantile taxes, EIT, LST, and other potential revenue generators



EXISTING PILOT PROGRAMS

- The City currently has agreements with 13 tax-exempt organizations
- **Collected \$1,360,276.40 from PILOT agreements in 2025**
 - **nearly \$900,000 received for the City, remaining collected goes to School District**
- Largest Contributors in 2025
 - UPMC - \$600,000
 - PHEAA - \$539,062.20
 - PHFA - \$125,237.73

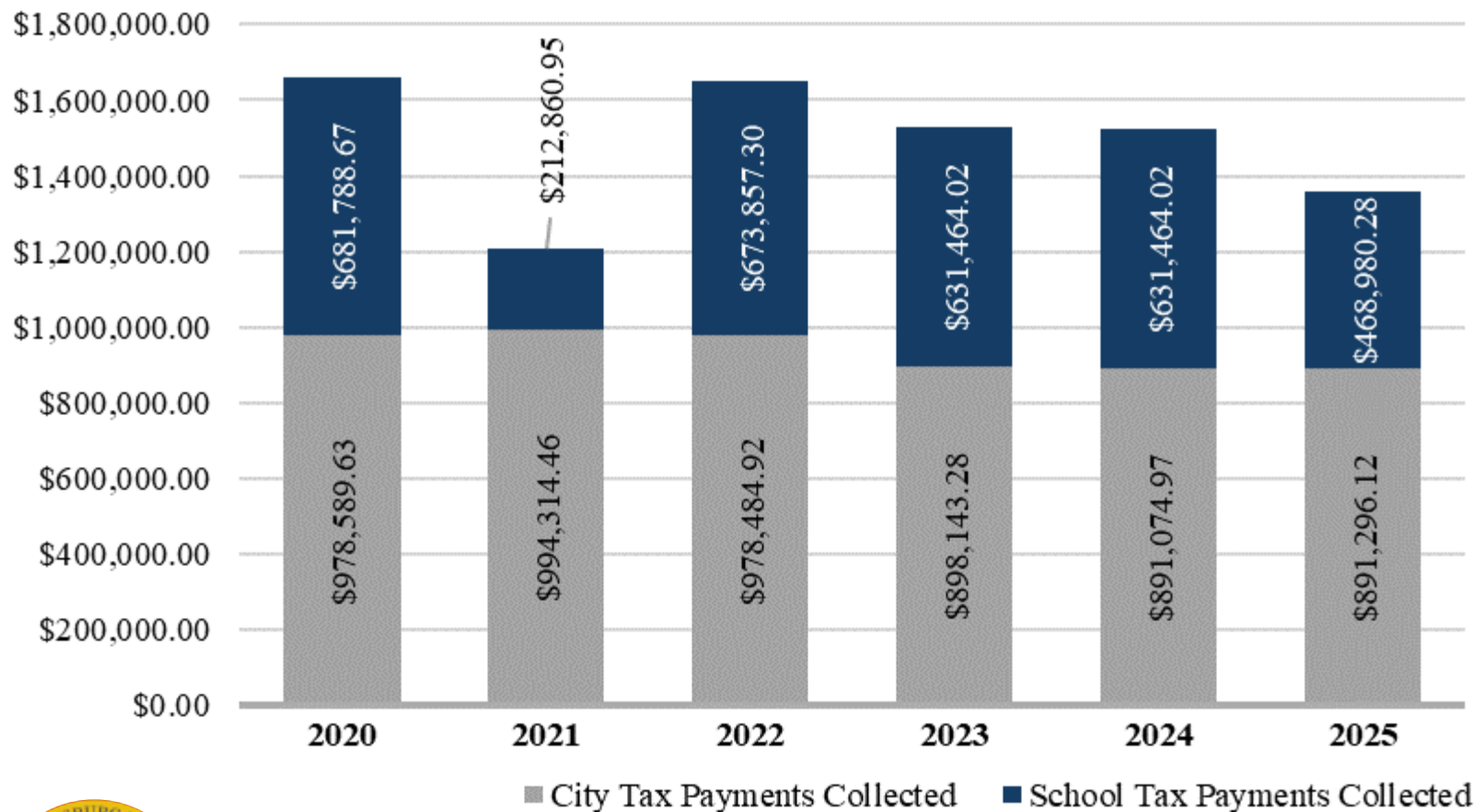


2025 PILOT PAYMENTS BY PROPERTY OWNER

Property Owner	City Tax Payment	School Tax Payment	Total Payment Amount
UPMC Pinnacle	\$600,000.00	\$0.00	\$600,000.00
PHEAA	\$107,444.49	\$431,617.71	\$539,062.20
PA Housing Finance	\$95,237.73	\$30,000.00	\$125,237.73
Commonwealth Charter Academy	\$53,509.91	\$0.00	\$53,509.91
Homeland Center	\$27,000.00	\$0.00	\$27,000.00
Citizens for PA's Future	\$2,345.17	\$5,744.84	\$8,090.01
Market Square P. Church	\$5,500.00	\$0.00	\$5,500.00
Penna DUI Association	\$258.82	\$1,617.73	\$1,876.55
Grand Total	\$891,296.12	\$468,980.28	\$1,360,276.40



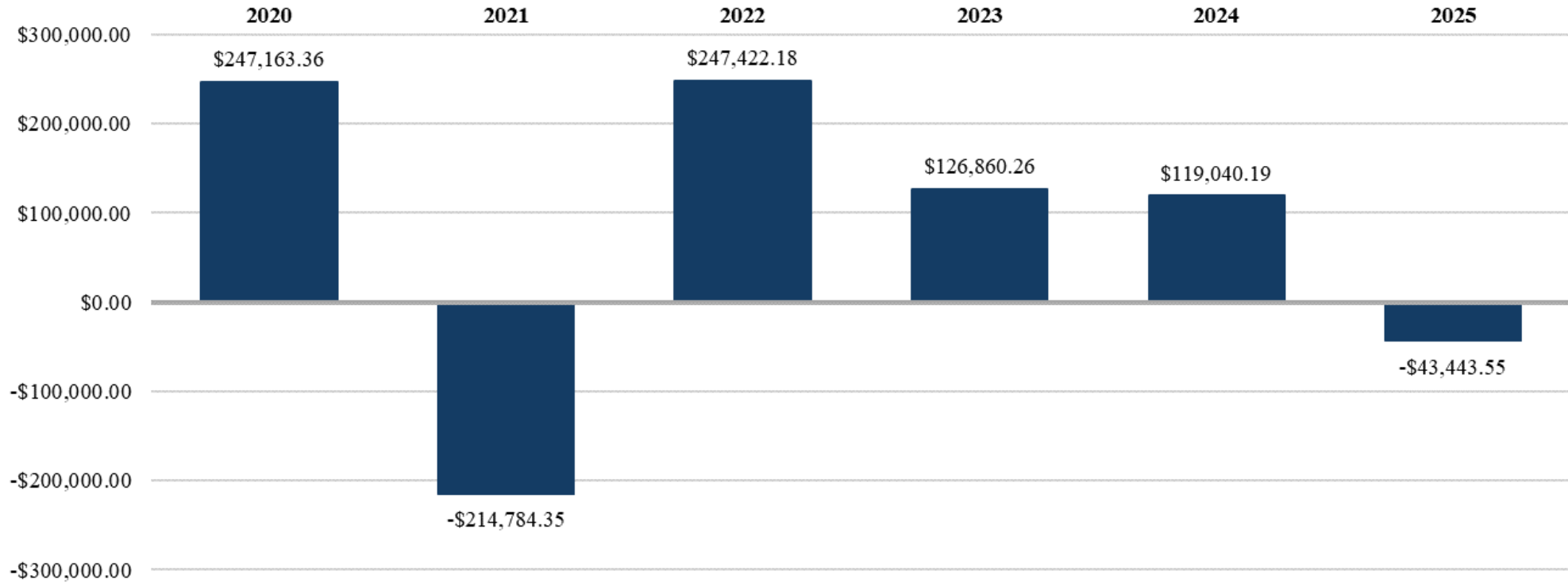
PILOT Payments Collected by Year (2020-2025)



CITY AND
SCHOOL
PILOTS
OVER THE
LAST 5
YEARS



Total Difference Between PILOT Payments Requested by the City of Harrisburg and Payments Received (2020-2025)



REQUESTED PAYMENTS VS. RECEIVED PAYMENTS



PILOT PROGRAMS IN OTHER CITIES



PILOT PROGRAMS IN OTHER CITIES

Lancaster

- Collected \$2 million in PILOTs
- Sent letters to 150 different tax-exempt organizations
 - Requested that they pay 33% of what they would owe
 - Received payments from 49 out of the 150 organizations
- \$1.38 million came from Lancaster General Hospital
 - Similar in size to UPMC Harrisburg

Albany, NY

- Typically receives between \$18 and \$19 million in PILOT payments annually
- \$15 million comes from the NY State Comptroller
- \$1.5 million comes from the People of the State of NY
- Population of approximately 100,000 people



PILOT PROGRAMS IN OTHER CITIES

Hartford, CT

- According to CT state law, the state government has to reimburse cities for a percentage of taxes that are lost because of state-owned land
- Received \$52 million in PILOT payments from the state in 2022
- Population of approximately 122,000 people

Providence, RI

- In 2025, Providence received \$37.2 million in PILOT payments from the state
- Rhode Island is legally authorized to reimburse them up to 27% for lost tax revenue
- Population of approximately 196,000 people



PILOT PROGRAMS IN OTHER CITIES

Boston, MA

- Considered the gold standard for PILOTs
- Secured \$35 million in 2025
- Comes from large hospitals and private universities, focusing on organizations with over \$15 million worth of property
- Also accepts SILOTs (Services in Lieu of Taxes), where an organization provides a service that The City then assesses and assigns a dollar amount that contributes to the amount of PILOT funding The City requested

Pittsburgh

- Instead of PILOTs, Pittsburgh made informal agreements through its OnePGH program
- Focuses on partnerships
- Overall, secured \$18 million for the city
- UPMC pledged \$10 million over 2 years for ambulances
- PNC pledged \$2 million for new snow mobiles
- Secured a large amount of funding, but less secure and not guaranteed as traditional PILOTs



PILOT PROGRAMS IN OTHER CITIES

Philadelphia and Baltimore

- Both cities lose out on millions of dollars in property taxes from large tax-exempt private universities
- Philadelphia recently entered into an agreement with UPenn where they provide The City with \$10 million in PILOT funding a year
- Baltimore revised their PILOT agreements to gradually increase their funding from \$6 million a year to \$48 million a year by 2030
- Under the new agreement, Johns Hopkins will provide Baltimore with \$6.5 million annually



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4. Consider strategy implementations seen in other cities
 - o Boston's SILOTs and Pittsburgh's OnePGH are a consideration



QUESTIONS?

