

**Excerpts of Statements Made by Corporation Counsel Michael Cardozo
and Budget Director Mark Page Before the City Council Finance
Committee in Spring, 2005, Regarding Payments in-lieu-of Taxes (PILOTs)**

Michael Cardozo, Corporation Counsel (4/25/05):

2 The sponsors' apparent basis for
3 Intro. 584 is the argument that no revenue of the
4 City may be expended without appropriation.

5 This is generally true to the extent
6 that such monies are "revenues of the City," paid
7 into the general fund.

8 However, as I have explained,
9 **contractual rights to receive PILOTs in the future,**
10 directed by the Mayor pursuant to economic
11 development agreements, **are not "revenues of the**
12 **city."** They are instead contract rights that can be
13 transferred or otherwise disposed of by the Mayor.....

20 **The right to receive PILOT payments**
21 **are contract rights, not revenue, and they are**
22 **therefore not subject to payment into the general**
23 **fund and subsequent appropriation.**

Mark Page, Director of the OMB (3/22/05):

5 However, **the concept that this money**
6 **is the equivalent of tax money in terms of the**
7 **treatment of the revenue and the role of the Council**
8 **is something that I am advised is not true, at least**
9 in the way contemplated by this local legislation,
10 and that's I guess not a great surprise to me in
11 terms of how money paid under these contracts has
12 **been used in the past.**