

June 3, 2025

Councilor Brian Worrell, Chair
City Council Committee on Ways and Means
Means 1 City Hall Square Room 550
Boston, MA 02201
617-635-3040

Councilor Enrique Pepén, Vice Chair
City Council Committee on Ways and
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Dear Chair Worrell and Vice Chair Pepén,

On behalf of the Greater Boston Chamber of Commerce and our 1,200 members, I write to follow up on our previous testimony to offer additional comments on the city's proposed FY26 Budget. The Chamber appreciates the Committee's thorough budget review process to find a balance between fiscal responsibility and the preservation of critical city services.

As you know, the Administration proposed a 4.4% increase in spending for the upcoming fiscal year. This increase represents a more modest approach to city budgeting compared to recent years of unsustainable growth and is a good first step towards a more reasonable rate of spending increases, helping contribute to the long-term fiscal success of the city.

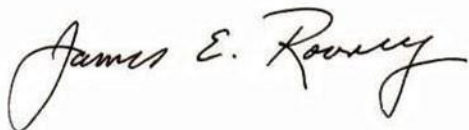
Embracing the culture of fiscal discipline is critical given federal funding and economic uncertainty for the next few years. The city budget may be exposed to shifts in federal support and the resulting economic headwinds impacting important sectors of the city's economy. As such, spending and revenue decisions must be considered thoughtfully and carefully, and caution is required.

With limited new revenue growth in new development and recent declines in the commercial real estate market and property values, residents may again share a higher property tax burden depending on budgeting decisions. High vacancy rates in office buildings downtown¹ and laboratory space across the region² point to an adjustment in commercial property values for some time. The impacts on budget increases in this environment on residents and businesses, therefore, must be a consideration when developing the city's approach to budgeting.

One of the main focuses of FY26 and the years ahead should be supporting economic growth, development, and downtown vitality. Focusing on fiscal discipline while promoting growth will create a strong foundation for long-term budget stability.

Thank you for your attention and please reach out with any questions.

Sincerely,



James E. Rooney
President & CEO

¹ [Cushman & Wakefield Office Report 2025 Q1](#)

² <https://bankerandtradesman.com/boston-area-lab-vacancies-hit-25-percent-as-industry-retrenches/>