



OFFICE OF THE CITY CLERK

CITY OF CAMBRIDGE

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CITY CLERK

DONNA P. LOPEZ
DEPUTY CITY CLERK

May 25, 2001

**TO: ROBERT W. HEALY
CITY MANAGER**

FROM: DONNA P. LOPEZ 
DEPUTY CITY CLERK

**SUBJECT: ADDITIONAL INFORMATION ON THE PAYMENT IN LIEU OF
TAXES AND TAX EXEMPT PROPERTIES**

Please be advised that at the City Council meeting of May 21, 2001 Agenda Items Numbered Eight and Nine were referred to the Finance and Neighborhood and Long Term Planning Committee for a hearing.

Additional information was requested by the City Council as follows:

- Information on the Gainesville, Florida and College Park, Maryland pilot and long-term planning agreements and any other alternatives and opportunities
- What amount was requested from each entity in the report
- Property removed from the tax rolls matched with previous and current list showing the amount paid.

I hope that this information will be beneficial.

TO: ROBERT W. HEALY, CITY MANAGER
KM
FROM: BOARD OF ASSESSORS
SUBJECT: SURVEY OF TOWN-GOWN PILOT PROGRAMS IN TWENTY ONE
CITIES IN THE UNITED STATES
DATE: APRIL 27,2001

A survey by telephone, E-mail, fax or internet was conducted with several cities and towns around the country who have a major University in their community from April 5 to April 27, 2001.

There are varying degrees of relationship from cooperative to hostile among the twenty one communities surveyed. The most relevant cities for Cambridge are the agreement between Yale and New Haven and the contract services agreement between Stanford and Palo Alto California.

The survey found that most State Universities in Massachusetts, Connecticut, Illinois, North Carolina, Michigan, Pennsylvania and California do not make in Lieu Tax Payments with the local community but the host communities may receive aid for the land occupied by University from the State.

The agreement, calculation sheet, or sample in Lieu Tax payment letter is provided for Boston, Philadelphia, New Haven, Ithaca New York, and Palo Alto California. These 5 cities were the only communities that had a Pilot program of the 21 surveyed.

ATTACHMENTS 6

Fiscal Year 2000 Pilot Payments

CAMBRIDGE

Harvard University	\$1,632,491
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MIT	\$1,046,974
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Boston

Harvard University	\$1,427,122
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Boston University	\$2,418,831
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Boston

Boston has had a Pilot program for Exempt Property for many years.

In the 1990's, Boston tried to update their program and set a goal of basing the payment on 25% of the assessed value multiplied times the yearly tax rate. Exempt organizations are sent a Pilot letter with the amount of payment listed.

The program resulted in thirty-nine organizations paying around twenty million dollars. More than half the payment (10.4 million) came from the Mass Port Activity at Logan Airport but the Boston University payment of 2.4 million is noteworthy.

Boston is considering changing their payment program to a simpler approach because the number of organizations that participate is low relative to the number of exempt organizations and most non profit institutions are not paying based on 25% of property value.

Philadelphia

Philadelphia started an aggressive Pilot Program in 1995 to lessen the burden on the taxpaying properties by trying to increase their revenue from the non-profit sectors. The impetus for the in lieu payment came from court decisions making it difficult for non-profits to qualify for exemptions. 580 institutions from a base of 1200 were identified as meeting the city's Pilot requirements. Several Exemptions were given for economic hardship. The city plan was to receive a Pilot payment based on 33% of property value multiplied by the tax rate of \$80 per one thousand for five years.

Initially forty-nine organizations participated in the program paying around ten million dollars. Most organization signed an agreement that provided a letter saying what they would pay. The University of Pennsylvania initially provided a reluctant payments letter of 1.9 million in 1995 and the same amount for the next four years.

A State Court decision in 1997 eased the requirement for charitable exemption and thus weakened the City support for Pilot payments. The University of Pennsylvania reduced their payment to 700 thousand and the amount collected by Philadelphia to around two million for the year 2000.

New Haven

The City of New Haven and Yale University have a Cooperative relationship for Pilot payments, affordable housing and economic development.

By agreement, Yale University pays New Haven 5.63% of the City's fire services budget of 37.3 million. The FY2001 payment was \$2,102,100.

To encourage increased homeownership in New Haven, Yale established the Yale Homebuyer program in 1994. The Program offers any regular Yale employee twenty five thousand dollars (\$5,000 at closing and \$2,000 annually for 10 years) to purchase homes in city neighborhoods.

Over five hundred employees have taken advantage of this program to stabilize neighborhoods and Yale's commitment to date exceeds eleven million.

For Economic Development, Yale has spent over fifty five million dollars on seven projects that have included renovation or development of commercial, retail, and residential properties in Downtown New Haven.

New Haven also receives 19.5 million dollars from the state of Connecticut for Yale's exempt academic and hospital properties.

Connecticut is one of the few states that reimburse all cities and towns for University and Hospital property.

Hanover New Hampshire

Hanover has a good working relationship with Dartmouth throughout the Town Gown Group but there is no written agreement.

Dartmouth pays 2.6 million in property taxes of the towns 6.1 million taxlevy. 1.4 million is paid for Dormitories and Dining halls which are taxable for private school in New Hampshire whose property value exceeds \$150,000.

Dartmouth has been cooperative in paying 40% of a new 5.8 million parking garage, paying 50% of street improvement near on the Dartmouth Campus, \$100,000 for a joint Bus System, and 50% for Fire Department Ladder Truck.

Palo Alto

The City of Palo Alto California and Stanford University have a good working agreement on Fire and Emergency Communication Services provided by the city.

Stanford University has agreed to pay 30.3 % of the total Fire Department Budget for fifty years period starting around 1978. For FY2001, Stanford paid Palo Alto 4.6 million dollars based on 30.3% of the 16.2 million Fire Service Budgets.

Around 1985, the City and Stanford made another fifty years agreement for Emergency Communication Services. Stanford has agreed to pay 16 % of the total Emergency Communication Budget, which is 2.4 million for FY2001 resulting in a 443 thousand payment for this year. I have both calculation sheets for fire and communication services amounts but the actual agreement is not readily available and has not been provided to date.

Communities Surveyed for Pilot Agreements

CITY	PILOT PROGRAM
Boston Massachusetts	Yes
Amherst Massachusetts	No
Worcester Massachusetts	No
Northampton Massachusetts	No
Medford Massachusetts	No
Providence Rhode Island	No
New Haven Connecticut	Yes
Hanover New Hampshire	No
Princeton New Jersey	No
Ithaca New York	Yes
Durham North Carolina	No

CITY	PILOT ROGRAM
Evanston Illinois	No
Chicago Illinois	No
Palo Alto California	Yes
San Francisco California	No
Philadelphia Pennsylvania	Yes
Milwaukee Wisconsin	No
Ann harbor Michigan	No
Chapel Hill North Carolina	No
Seattle Washington	No
Miami Florida	No

BOSTON**Attachment B**

SAMPLE AGREEMENT TO MAKE PAYMENTS IN LIEU OF TAXES
TO THE CITY OF BOSTON

AGREEMENT, made this 10 day of OCT, 1999 at Boston, Massachusetts by and among (*name of tax-exempt institution*), a non-profit corporation duly organized under chapter 180 of the laws of the Commonwealth of Massachusetts having a usual place of business at (*location of tax-exempt institution*), Boston, Massachusetts, and the City of Boston ("City"), a municipal corporation in the Commonwealth of Massachusetts.

WITNESSETH THAT:

A. *The tax-exempt institution*, while currently entitled to exemption from obligations to pay local real and personal property taxes on its property pursuant to Massachusetts General Laws C. 59, § 5, Clause Third, as a matter of use and occupancy, recognizes that the existence of this property requires the City to furnish municipal services and is willing voluntarily to make certain payments to the City in the form of a payment in lieu of taxes ("PILOT").

B. *The tax-exempt institution* acknowledges that it intends to develop (*address and/or ward and parcel number of project*) ("the project"). The said project may be exempt under the laws of the Commonwealth from local real property taxes provided that the uses of such property remain consistent with the tax laws relative to exemption, and the *tax-exempt institution* intends to file appropriate papers required by law to obtain and maintain such-exemption.

C. *The tax-exempt institution* and the City further acknowledge and agree that other real and personal property owned by the tax-exempt institution which is now entitled to exemption from taxation shall continue to remain so entitled, subject to applicable law relative to exemption from real property taxation; and consistent with the above, that the above referenced project which is the subject of this agreement shall be granted exemption upon timely application for exemption and preservation of statutory rights of appeal, insofar as may be necessary, in the event of any or all the property is taxed by the City in any particular fiscal year.

NOW, THEREFORE, in consideration of the municipal services to be furnished by the City and the mutual agreements herein contained, the parties hereto hereby agree as follows:

1. Beginning in the fiscal year in which a certificate of occupancy is issued for the project or the exemption is granted, *the tax-exempt institution* will make an annual payment in lieu of tax to the City of Boston of \$ 28000. Each annual payment shall be due and payable in two installments with the first half due on November 1 and the second half on May 1 of each year during the term hereof, in amounts and upon the conditions set forth below.

Attachment B

2. The payment due for each fiscal year after the first fiscal year in which payment shall be due pursuant to the terms of this Agreement shall be subject to a further adjustment as provided in the Inflation Adjustment Clause attached hereto as Exhibit A.

3. Notwithstanding the foregoing, if a certificate of occupancy is issued during the course of a fiscal year, the amount calculated according to Sections One and Two above shall be prorated in accordance with the portion of the fiscal year remaining.

4. Twenty-five percent (25%) of the total amount due in each fiscal year according to any or all of Sections One, Two and Three above shall be credited, contingent upon documentation of community services being provided or funded. The services must be over and above what *the tax-exempt institution* was providing prior to signing this agreement. Eligible services shall include ...

5. It is the intention of the City, through its Assessing Department, to recognize the development as exempt pursuant to M.G.L. c. 59, § 5, Clause Third in future fiscal years so long as and provided that a) exemption is warranted as a matter of ownership, use and occupancy and b) Form 3ABC is timely filed with the Assessing Department for each fiscal year.

6. In the event a real estate tax bill is issued for such property, however, it is the exclusive responsibility of *the tax-exempt institution* to do all things necessary to preserve the jurisdiction of the City's Assessing Department to grant abatement relief on the basis of exemption, overvaluation, misclassification and/or disproportion including timely filing of application(s) for abatement, supporting documentation and appeal(s) to the Appellate Tax Board, as may be necessary, and timely payment of the deemed tax due as defined in M.G.L. c. 59, § 64

7. If at any time hereafter, due to a change in the laws applicable to exemptions from real property taxation any tax payment is made pursuant to a M.G.L. c 59 tax assessment in a particular year for any property which is a subject of this agreement, such payment will be credited against the PILOT obligation as calculated above.

Any overpayment made in a fiscal year by reason of this provision shall be credited against future PILOT obligations.

8. Pursuant to applicable law, the City may assess, and require that an otherwise tax-exempt institution pay, real estate taxes based upon any commercial operation or uses of said property which are not exempt from taxation. Said tax payment would be made in addition to the PILOT payments made under this Agreement.

9. If the Commonwealth of Massachusetts hereafter reimburses the City for property taxes lost as a result of exemptions and said reimbursement is based in part on valuation of property held by *the tax-exempt institution* which is the subject of this Agreement, there shall be a reduction of the amounts payable thereafter under this Agreement. Such reduction shall be in an amount equal to the percentage which the valuation of *the tax-exempt institution's* property under

Attachment B

this Agreement constitutes of the valuation of all exempt buildings on which the reimbursement is based. Such reduction shall be credited against the payment due under this Agreement in each fiscal year in which the City receives the state reimbursement.

10. The provisions of this Agreement shall be binding and inure to the benefit of the parties hereto and their respective legal representatives, successors in office or interests, and assigns and may be amended only by an agreement in writing duly executed by the parties hereto or their successors.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed as a sealed instrument by its officers duly authorized as of the day and year first above written.

TAX-EXEMPT INSTITUTION

THE CITY OF BOSTON

By: _____

President

By: _____
Thomas M. Menino
Mayor

Approved as to form:

By: _____
Menta Hopkins
Corporation Counsel

By: _____
Ronald W. Rakow
Commissioner of Assessing



CITY OF PHILADELPHIA
1995 CHARITABLE CONTRIBUTION
AGREEMENT

CHARITABLE CONTRIBUTION AGREEMENT

This AGREEMENT is made as of the 15th day of January 1995, by and among the City of Philadelphia and the School District of Philadelphia (collectively, the "City"), and [REDACTED] ("Participant").

BACKGROUND

On June 30, 1994, pursuant to Mayor's Executive Order #94-1, the City announced a voluntary program in which nonprofit organizations would make payments and provide services to the City to offset partially the cost to the City of providing essential municipal services ("Program").

Participant is a nonprofit institution which desires to participate in the Program in order to promote the public interest and to settle potential litigation.

NOW THEREFORE, the City and the Participant, in consideration of the mutual undertakings set forth herein and for good and valuable consideration, receipt of which is hereby acknowledged, covenant and agree as follows:

TERMS AND CONDITIONS

1. Term. The term (the "Term") of this Agreement shall commence on January 1, 1995 and shall continue for 5 calendar years (each a "Calendar Year") and conclude on December 31, 1999, unless sooner terminated pursuant to the provisions hereof.

2. Properties Included in the Agreement. The Participant owns the real estate and improvements (collectively, the "Property") listed on the schedule (the "Schedule") attached hereto and incorporated herein.

3. City's Undertaking. As long as no Event of Default shall have occurred and be continuing, the City, during the Term of the Agreement, shall not: (a) revoke the Participant's exemption from real estate taxes with respect to the Property or (b) seek to collect from Participant any Philadelphia Real Estate Tax, Philadelphia Code §19-1301, Use and Occupancy Tax, Philadelphia Code §19-1806 or Business Privilege Tax, Philadelphia Code §19-2600 with respect to the Property.

4. Annual Charitable Contribution. During the Term of this Agreement, the Participant shall annually make a charitable contribution to the City in the aggregate amount shown on the attached Schedules (the "Annual Charitable Contribution").

5. Annual Charitable Contribution Schedule. The Participant shall make its Annual Charitable Contribution no later than the thirty-first day of March of each Calendar Year.

6. Early Contribution. Because of the financial benefit the City receives from the Participant's early contribution, the Participant may tender its Annual Charitable Contribution on or before the last day of February of each Calendar year and receive a 1% discount on the Annual Charitable Contribution.

7. Late Contribution. Because of the City's reliance on the Annual Charitable Contribution in its budgetary matters, the City may impose a late charge

on the Annual Charitable Contribution in the event that Participant fails to make all or any portion of the Annual Charitable Contribution as required by Paragraph 5 hereof. The late charge shall accrue on the unpaid balance in the amount of 6% per annum, accruing monthly.

8. Events of Default. Each of the following shall constitute an Event of Default hereunder:

(a) Participant's failure to pay any sum due to the City hereunder on the date such sum is due;

(b) Participant's failure to comply with any other provision of this Agreement, which failure continues for a period of thirty (30) business days after written notice; and

(c) Participant's failure to pay any tax due to the City which failure continues for a period of thirty (30) days after written notice to the Participant. This provision shall not apply to any tax with respect to which the Participant is involved in good faith litigation with the City regarding the Participant's obligation to pay the tax or the amount of the tax.

9. Remedies. Upon the occurrence of an Event of Default, the City, at its option, may:

(a) terminate this Agreement;

(b) bring action against the Participant or the Property to enforce the provisions of this Agreement and/or to collect any sums due hereunder; and

(c) pursue any other remedy in law or equity to which City may be entitled.

10. Change in Use of Property. If the Participant materially changes its use of the Property, or any portion of the Property, during the Term, the Participant shall immediately notify the Board of Revision of Taxes of such change. The Board of Revision of Taxes shall review the new use, and if it finds that the Participant is using the property in a manner which is consistent with its current use, the Annual Charitable Contribution shall remain the same. If the Board finds that the Participant is not using the Property in a manner consistent with its current use:

(a) and such use relates to all of the Property, the Agreement shall terminate and the Property shall be fully taxable from such date forward; or

(b) the new use affects only a portion of the Property, the Agreement shall terminate with respect to such portion of the Property and that portion of the Property shall be fully taxable. In addition, the amount of the Annual Charitable Contribution shall be recomputed by the City to exclude such portion of the Property.

11. Change of Non-Profit Status. If the Participant converts to a for-profit corporation, Participant shall notify the Board of Revision of Taxes within thirty days of such conversion and this Agreement shall terminate. If the Participant makes such a conversion during the Calendar Year, the Participant shall be responsible for all applicable taxes from the date of conversion until the end of the Calendar Year.

12. No Assignment. The Participant shall have no right to assign its rights or obligations under this Agreement, except assignments to the Participant's nonprofit corporate affiliates, and any purported assignment shall be of no force or effect.

13. No Admission. Nothing in this Agreement shall be construed as an admission on the part of the City that the Participant is a tax exempt entity or on the part of the Participant that it is a taxable entity.

14. Audit. The City shall have the right to audit the books and records of the Participant during the term of this Agreement with respect to the payment of taxes and the Annual Charitable Contribution.

15. Miscellaneous. This Agreement represents the entire agreement between the parties hereto and shall not be modified in any manner except by written instrument executed by the parties and attached hereto. The Agreement and all disputes arising under the Agreement shall be governed, construed and decided in accordance with the laws of the Commonwealth of Pennsylvania. The parties do not intend to create, and nothing contained in the Agreement shall be construed as creating, a joint venture arrangement or partnership between City and Participant. Nothing in the Agreement expressed or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation, or legal entity, other than the parties, any rights, remedies, or other benefits under or by reason of the Agreement. The Agreement may be executed simultaneously in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute

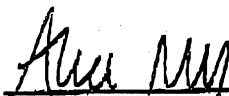
but one and the same instrument. Time is of the essence in the performance of Participant's obligations under the Agreement. The headings in the Agreement are for convenience only and are not a part of the Agreement. The headings do not in any way define, limit, describe or amplify the provisions of the Agreement or the scope or intent of the provisions.

IN WITNESS WHEREOF, and intending to be legally bound hereby,
the parties have caused these presents to be executed as of the date first above written.

CITY OF PHILADELPHIA

SCHOOL DISTRICT OF PHILADELPHIA

JOSEPH A. DWORETZKY
CITY SOLICITOR

BY: 
Alice W. Beck
Deputy City Solicitor

BY:

PROPERTY SCHEDULE

Schedule No. 1 of 1 Total Schedules

Participant's Name: [REDACTED]

Property: [REDACTED]

<u>ANNUAL CHARITABLE CONTRIBUTION</u>	\$10,000.00
<u>LESS SERVICES IN LIEU OF PAYMENT</u>	<u>\$-0-</u>
<u>REQUIRED PAYMENT</u>	\$10,000.00

PALO ALTO

ATTACHMENT 1

**2000-01 Stanford Fire Services
Based on 2000-01 Adopted Budget**

		2000-01 Adopted Budget	
Employee Services			\$13,886,671
Other Direct Expenses			\$1,080,270
Less:			
SLAC		(\$99,000)	
Fire Station Facility Improvements		(\$32,000)	
Permit Streamlining		(\$112,672)	
Reimbursement for Fire Station 8		(\$108,510)	
Confined Space Rescue Program		(\$51,752)	
Plus Equipment Maintenance		\$208,580	
TOTAL ADJUSTMENTS		(\$195,354)	
SUBTOTAL			\$14,771,587
Plus Administration Overhead Costs		\$1,458,403	
TOTAL			\$16,229,990
X 30.3% =			\$4,917,687
Less 30.3% of Net Paramedic Revenues @	\$888,000		(\$269,064)
Less 30.3% of Environmental Management @	\$38,792		(\$11,754)
SUBTOTAL			\$4,636,869
Total Fire Service Charges to Stanford University for 2000-01 (rounded)			\$4,637,000

PALO ALTO

ATTACHMENT 2

2000-01 Stanford Communications Based on Adopted BudgetCalculation of Charges

Employee Services	2,304,237	
Other Direct	\$246,951	
Less Total Radio Purchases	(\$126,000)	
Subtotal	\$2,425,188	
X 16%		\$388,030
Plus Stanford's Share of Radio Purchases	\$10,340 *	\$10,340
General Administration	\$452,777	
X 10%		\$45,278
Communications Charges to Stanford Based on 2000-01 Adopted Budget		\$443,648

* Expenses for radio purchases were transferred from the capital to the operating budget in 1995-96. The \$10,340 charged to Stanford consists of \$6,500 in direct charges to Stanford for radio purchases plus 16 percent of \$24,000 in radio expenses that benefit Stanford. Note that radio expenses of \$126,000 have been excluded from operating expenses to accurately calculate Stanford's share of operating and radio costs.

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AS AMENDED AND APPROVED BY THE BOARD OF ALDERMEN OCTOBER 15, 1990

ORDER OF THE NEW HAVEN BOARD OF ALDERMEN APPROVING
AN AGREEMENT BETWEEN THE CITY OF NEW HAVEN AND YALE UNIVERSITY

WHEREAS: in April 1990 New Haven Mayor John Daniels and Yale University President Benno Schmidt entered into a Memorandum of Understanding Between the City of New Haven and Yale University, and on September 12, 1990 signed a letter of refinements to and clarifications of said Memorandum of Understanding; and

WHEREAS: the Board of Aldermen held public hearings on said Memorandum of Understanding on May 14, 1990 and June 6, 1990, and on said refinement letter of September 12, 1990 on September 12, 1990 and September 27, 1990; and

WHEREAS: in consideration of public testimony and other information received, the Board of Aldermen recommends the adoption and execution of a revised agreement, as contained hereinafter.

NOW, THEREFORE, BE IT ORDERED by the New Haven Board of Aldermen that the following Agreement Between the City of New Haven and Yale University as set forth herein in its entirety be and it hereby is approved by the Board of Aldermen for execution by Mayor John Daniels on behalf of the City of New Haven and by President Benno Schmidt on behalf of Yale University.

AGREEMENT BETWEEN THE CITY OF NEW HAVEN AND YALE UNIVERSITY

OCTOBER 1990

The relationship of Yale University and the City of New Haven has extended over almost three centuries. Each depends and draws upon the strength of the other. New Haven by virtue of its size, location, and richly diverse population provides a setting in which Yale has been able to grow as a university dedicated to educational excellence. The welfare of the City has been and remains essential to that of the University. This Agreement represents a determination on the part of the City and the University to enter upon a new era of partnership, friendship, and cooperation. It is an agreement based upon the

mutually perceived benefits that grow from cultivating the spirit of partnership for the long term future.

Yale University believes that it can make its most extensive contribution to the welfare of New Haven through pursuing its mission of excellence in teaching and research. For Yale to be the best possible university will both at present and in the future directly benefit New Haven. The presence of Yale enhances the quality of life in the City. Yale students provide thousands of hours of voluntary services to various groups in the City. The University is the largest employer in New Haven. Its students, faculty, and staff contribute to the economic vitality of the City. Through its direct purchases the University provides business to scores of firms in the City. Beyond this recurring activity, the University will in the next decade spend tens of millions of dollars in the local economy as it pursues its plans for facilities renewal and renovation.

Yale firmly believes that it has the responsibility for being a good citizen of New Haven. The welfare of the City and the University are closely related. There should be a genuine partnership between the City and the University. This Agreement represents a fundamental building block in fostering that relationship, indicating the willingness of the University to step forward as a good citizen to support the City not only at a time of difficulty but also into the future. It is the hope and expectation of the President of Yale University and the Mayor of New Haven that this Agreement will stand as an example to other profit and not-for-profit institutions in New Haven to undertake similar actions of support and concern.

In consideration of the foregoing, the City of New Haven and Yale University agree to undertake each of the following steps, together as a package, under the terms and conditions set forth below.

1. Fire Services.

Yale University ("University") shall make yearly voluntary payments ("payments") as a fire services use charge indexed to 5.68% of the City of New Haven's ("City's") general operating budget for Fire Services. These payments will commence during the City's fiscal year 1991 at an amount equal to \$1,167,000, which will be paid in two installments on July 1, 1990 and January 1, 1991. Each year the annual payment will be equal to the preceding year's payment adjusted by a rate equal to the rate of increase (or decrease) in the City's general operating budget allocation to the City of New Haven Department of Fire Services as approved by the Board of Aldermen in June of that year as compared to such allocation for the preceding year. In the event this Agreement is not enacted prior to the dates of the installment payments of the first fire services payment, the University will tender the installments as follows: (a) the first installment within thirty (30) days following the effective date of

the Agreement; (b) the second installment on January 1, 1991 or on a date mutually agreed upon by the City and the University.

2. Golf Course.

Yale University will initiate changes in the operation of the Yale Golf Course to allow broader use in combination with maintaining educational activities on the property and the City, in concept, agrees to support these changes. As a result of the support of these operation changes, which will embrace commercial use, the University will agree to placement of the Golf Course on the Grand List of October 1, 1990. In the event this Agreement is enacted after October 1, 1990, the University agrees to voluntarily tender a payment equal to the real property tax on the subject property, as if said property were included on the 1990 Grand List. The Golf Course will be assessed in accordance with procedures and standards regularly applicable to taxable property. Its placement on the Grand List will result in an estimated increase in annual property tax revenues to the City of \$334,405 at the current mill rate of 83.25. The University understands that its intention to expand the operational uses, including commercial uses, of the Golf Course, shall be subject to the approval of the appropriate regulatory and legislative bodies of the City, if required in the normal course, and so long as such actions are consistent with the laws and judicial precedents of the State of Connecticut. The payment of funds equivalent to the amount due under the 1990 Grand List will be tendered, when due, and is not contingent upon any particular regulatory or legislative approvals required to change the current uses.

3. Public Walkways.

Yale University and the City of New Haven will use their best efforts to undertake, at Yale's expense, an improvement project to create public walkways on certain streets within the University's campus. Yale shall pay the City \$1,100,000 for the right to close the following two streets to vehicular traffic (excepting safety, certain delivery, and other special traffic) and to convert them to public walkways: Wall Street from College Street to York Street; and High Street from Elm Street to Grove Street, as more specifically provided in the Order provisions adopted concurrently with this agreement.

In the year following the twentieth anniversary of the effective date of the Order, the City shall review the continued closure of these streets to vehicular traffic. In the event the City determines that the streets shall be reopened to vehicular traffic, the City and Yale shall arrange for such reopening in a mutually acceptable manner which is fair to both parties.

Subject to the continuing right of the public to pass and repass and to the City's access to underground utilities, the University may use and occupy the airspace over the aforementioned streets and the ground under those streets, as more specifically provided in the Order

provisions. Any use and occupancy by the University of the space above or below said portions of said streets shall be subject to the prior approval of the Board of Aldermen of the City of New Haven in the manner hereinafter set forth, which shall be consistent with the laws and judicial precedents of the State of Connecticut.

In recognition of the City's willingness to voluntarily close the above-referenced streets to vehicular traffic, the University agrees to explore with the City the long-term vehicular parking needs of the general public, the University and the Broadway merchants. Furthermore, the University agrees to cooperate with the City in efforts to revitalize the neighborhoods and central business district in close proximity to its campus and real property in the City, including but not limited to development of a downtown retail mall, mixed use development of the Ninth Square, the continued development of the Science Park Development Corporation including its impact on neighborhood development.

In further recognition of the City's willingness to voluntarily close the above-referenced streets to vehicular traffic, and in order to facilitate investment activity, the University agrees to cooperate with the City in the development of a working group ("Urban Investment and Economic Development Working Group") to establish ways and means of ensuring that investment and economic development opportunities are maximized. Said group shall be comprised of at least the following: Designee of the Mayor, designee of the President of the Board of Aldermen, designees of Yale University, and other members as agreed upon by the appointing parties.

The University further agrees and reaffirms its commitment to the principles of the New Haven Development Initiative whereby the University made a commitment to invest approximately Fifty-Million Dollars over the period of about ten years in economic development projects in the City of New Haven. In furtherance of that commitment and as a part consideration for the closure of the above referenced streets to vehicular traffic, the University agrees to provide the City with annual reports on the status of said investments. Said reports will commence in the month of January 1991 and will continue annually thereafter.

In further recognition of the City's willingness to voluntarily close the above-referenced streets to vehicular traffic, and in order to facilitate cultural enrichment, educational and social outreach, the University agrees to cooperate with the City in the development of a working group ("Cultural Enrichment, Educational and Social Outreach Working Group") to establish ways and means of ensuring that such opportunities are maximized. Said group shall be comprised of at least the following: Designee of the Mayor, designee of the President of the Board of Aldermen, designees of Yale University, and other members as agreed upon by the appointing parties.

In further recognition of the City's willingness to voluntarily close the above-referenced streets to vehicular traffic, the University agrees to cooperate with the City in the development of a "University and Neighborhood Relations Working Group" to improve relations between the University as a major institution, landlord and property owner with its neighbors. Said group shall be comprised of the alderpersons (up to three in number) of the wards adjacent to the central campus, designee of the Mayor, designees of Yale University, and other members as agreed upon by the appointing parties.

4. Center for the City.

The University will contribute the amount of \$50,000 annually for a period of five years toward the operating support of a Center for the City, provided such a Center is established with the substantial cooperation and support of other institutions in New Haven. The Center will function independent of the University. It will seek major funding from national foundations to address New Haven's problems. The University will assist the Center in its fund-raising activities. Within three to five years after its establishment, there will be a fundamental review of the value to the community of the Center for the City, and a decision will be made as to whether the Center should continue.

The Center for the City will give special priority to issues of poverty, human services, and education. Implementation efforts will begin immediately upon approval of the Agreement. The Center for the City shall facilitate the efforts of the "Cultural Enrichment, Educational, and Social Outreach Working Group" and the "Neighborhood Relations Working Group" set forth in the two paragraphs above.

5. Taxation of Yale University Properties.

During any period in which Yale University makes payments set forth in Paragraph 1, the City agrees to maintain the tax treatment of currently tax-exempt University properties so long as their use remains as at present or are put to other uses which do not substantially diminish their educational and academic function. However, nothing in this Agreement prohibits the City from seeking to tax current or future tax-exempt Yale properties. In the event the City elects to tax currently tax-exempt Yale properties which continue to be used substantially in the same manner as they are presently used or are put to other uses which do not substantially diminish their educational or academic function, then if the University chooses to oppose such action and/or cease its payments set forth in Paragraph 1, nothing in this Agreement prohibits it from doing so.

The City and the University shall establish a working group ("Finance and Revenue Working Group") to address on-going financial and revenue issues between the parties. Said group shall be comprised of at least the following: designee of the Mayor, designee of the

President of the Board of Aldermen, designees of Yale University, and other members as agreed upon by the appointing parties.

6. \$30,000,000 Consortium Loan.

Yale University is willing to consider participation in a consortium of institutions (which may include, for example, local financial institutions, corporations, not-for-profits, and City of New Haven Pension Plans) to provide short-term private placement loan of \$30,000,000 to the City. Yale University's participation in the loan is subject to approval by the Investment Committee of the Yale Corporation, which will apply appropriate fiduciary standards of risk and return in its evaluation of the consortium loan. Yale University's share of the loan will not exceed 25% of the total, or \$7.5 million.

Notwithstanding anything to the contrary, the undertakings set forth above are mutually dependent and not severable as to the obligations of both parties.

Date:

Signed:

John C. Daniels
Mayor
City of New Haven

Benno C. Schmidt, Jr.
President
Yale University

APPROVED AS AMENDED BY THE BOARD OF ALDERMEN OCTOBER 15, 1990


ORDER OF THE BOARD OF ALDERMEN OF THE CITY OF NEW HAVEN APPROVING A CLOSING OF PORTIONS OF WALL AND HIGH STREETS TO GENERAL VEHICULAR TRAFFIC BETWEEN ELM STREET, COLLEGE STREET, GROVE STREET, AND YORK STREET, SUBJECT TO REVIEW IN THE YEAR FOLLOWING THE 20TH ANNIVERSARY OF THE EFFECTIVE DATE OF THIS ORDER.

BE IT ORDERED by the Board of Aldermen of the City of New Haven as follows:

1. That High Street between Elm Street and Grove Street, and Wall Street between College Street and York Street be closed to general vehicular traffic effective ninety (90) days from the effective date of this Order, pursuant to the Agreement between the City of New Haven and Yale University, adopted on October 15, 1990, hereinafter referred to as "Agreement".

2. That the Director of Traffic and Parking take such steps as are appropriate to accommodate public travel and convenience on alternate streets and parking areas in the vicinity.

3. That, prior to the effective date set forth in paragraph (1) of this Order, the Director of Public Works, the Director of the City Plan Department, the Director of Traffic and Parking, the New Haven Chief of Police, and representatives of Yale University shall establish appropriate means of implementing the closure of said streets to general vehicular traffic.

 4. That this Order shall not be deemed or construed as altering, limiting, or abandoning the public pedestrian right of way on or over said portions of said streets. Nothing ordered herein shall be construed as affecting the public use of the sidewalks of said streets. The University shall take no action to prohibit freedom of speech or assembly or association as provided in the United States Constitution on said sidewalks or streets.

5. That the Director of Traffic and Parking, the Director of Public Works, and the New Haven Chief of Police are hereby authorized to permit such vehicular use as may be appropriate for public safety, deliveries, and other special purposes in accordance with the overall intent of this Order, and in consultation with the Director of the City Plan Department, to permit facilities and appurtenances to be placed on said streets such as, but not limited to, signs and markings, planters and landscape furnishing, paving materials, and lighting, subject to the requirements of such public safety, delivery, and special purpose vehicles.

6. That such closure and such permitted private facilities and appurtenances shall not impair, interfere, or in any manner limit the

utility alterations, repairs, or additions as may be necessary or appropriate in said streets.

7. That the University will be responsible for the maintenance of the public way over said portions of said streets, and the University Police, in consultation with the New Haven Chief of Police, shall be responsible for the public safety in said portions of said streets.

8. That Yale University shall hold the City harmless from all liability arising from pedestrian or other use of said portions of said streets and shall provide the City with a certificate of public liability insurance in an amount and form acceptable to the City's Office of Corporation Counsel, except for liability caused by the City's sole negligence.

9. That any use and occupancy by the University of the space above or below said portions of said streets shall be subject to the prior approval of the Board of Aldermen of the City of New Haven in the manner customary for approval of construction above or below City streets.

10. That effective upon the closure of said streets, the University at its own expense shall replace the 56 parking spaces lost to the public as a result of this Agreement, 51 of which shall be in the newly built lot at 304 Elm Street and in the Edgewood Avenue portion of Lot 80 (opposite Lynwood Place). These spaces shall be available to the public on the same or equivalent basis as if they were metered spaces on city streets. In the event that Yale wishes to build on either of these lots in the future, other equivalent spaces will be made available by Yale in the same vicinity. With respect to the remaining five (5) spaces, Yale will provide the handicapped (3) and commercial loading (2) spaces lost in the street closings within the immediate area. Yale lots in the York Square vicinity, except for a limited number of spaces reserved for persons on 24-hour duty, at the following locations will be open to the public after 4:00 p.m. on weekdays and all day on weekends: Lots 71, 77, 78, 80, 82, 84 and 89 or their successor lots.

IT IS FURTHER ORDERED that the Mayor and other appropriate officials are herewith authorized and directed to execute such instruments, permits, and related documents as may be necessary to implement the closing of said portions of said streets to general vehicular traffic; to publish same; and to co-ordinate the implementation of this Order with officials of Yale University in accordance with the terms and conditions hereof; and

IT IS FURTHER ORDERED that the City and Town Clerk is hereby authorized and directed to impress the Seal of the City of New Haven on such documents as may be required to effectuate the intent of this Order.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF ITHACA AND CORNELL UNIVERSITY

October 5, 1995*

PREAMBLE

This Memorandum of Understanding is entered into by the parties in mutual recognition that their futures are inextricably entwined. Cornell University and the community that now comprises the City of Ithaca have had a deep and on-going relationship for more than 130 years. Each depends upon and draws upon the strength of the other. The City and its neighboring municipal jurisdictions have provided a physical and social environment in which the University has flourished; the University, in turn, has been a principal economic and cultural force in the community.

As is true with many long-term relationships, the intensity and quality of the interaction between the City and the University have varied over time. Both parties have faced, and continue to face, significant fiscal and regulatory pressures from the outside, particularly from the state and federal governments. Both parties are similarly affected by changes in the local economy and beyond. These pressures make it all the more important that both parties understand and accommodate their respective interests in furtherance of the common good of the entire community.

This Memorandum of Understanding represents a determination on the part of the City and the University to pursue this objective and to build upon previous and existing agreements in a spirit of partnership, friendship and cooperation. It reflects our conviction that cultivating this spirit is essential for a productive and mutually supportive future.

*As approved (with modifications) by the City of Ithaca Common Council on October 9, 1995, and as approved (with modifications) by the Cornell University Board of Trustees on October 13, 1995.

October 5, 1995

The City of Ithaca recognizes that Cornell's ability to succeed as a leading national research university is essential for the long-term economic and social health of the City and its residents. Without question, the presence of Cornell enhances in many ways the quality of life in the City and in all of Tompkins County. Cornell faculty, students, and staff provide thousands of hours of voluntary services each year to various community and social service agencies in the City. As the largest employer in the City of Ithaca and in the county, Cornell's students, faculty, and staff contribute to the area's economic vitality; their local expenditures constitute a significant share of the sales tax revenue generated in the City and in Tompkins County, and the thousands of visitors attracted to our local community by virtue of the presence of the University make a like contribution. The capital construction and renovation programs of the University similarly play a major role in the enhancement of the local economy, with the prospect of tens of millions of dollars being spent locally over the next decade. The civic life of the community also has been enhanced through the participation of many University faculty and staff on City boards and commissions, and indeed on Common Council, as well as through the provision of continuing, ad hoc advice and consultative services to this and other municipalities.

Cornell recognizes that its presence also creates demands in the community for municipal services, particularly in the area of fire protection. The City's police and fire services, its well-maintained streets and bridges, its many youth and recreational programs, its affordable housing initiatives, its extensive park system, and its attractive neighborhoods and civic centers, among other resources, all help to provide the healthy surrounding community environment necessary for Cornell's well-being. Cornell was among the first universities in the nation to make voluntary payments to its local municipality in support of public services, and it remains committed to doing so within the availability of its financial resources.

OBJECTIVES

In furtherance of the partnership desired by the City and the University, both parties agree to pursue the following objectives:

1. A stable local governmental and economic environment that contributes to Cornell's ability to succeed as a leading national research university and to the City's ability to provide a high-quality physical, educational, social, and cultural environment.

October 5, 1995

2. A common understanding that the University is a dynamic and vibrant institution, whose instructional, research, and outreach missions will invariably change over time, requiring appropriate adjustments in the physical and operational characteristics of the campus.
3. A mutual recognition that restrictions on the University's ability to make appropriate adjustments in the physical and operational characteristics of the campus will inevitably place significant limits on the University's capacity to compete effectively in the national and international higher education marketplace and to provide economic, cultural, and financial support to the surrounding community.
4. A governmental environment that supports intelligent economic development initiatives, not only in the City but throughout Tompkins County, with the goal of encouraging the growth and diversity of local business and industry, thereby stimulating the expansion of local job opportunities and the sales and real estate tax bases.
5. A high-quality educational, cultural and social environment that seeks to meet the legitimate needs of the entire community, particularly its children and youth, and that constitutes an indispensable ingredient for the successful recruitment and retention of the University's faculty and staff.
6. A safe and secure community in which municipal fire and police services complement and support related activities already provided by the University itself and in which members of the University community respect the rights and legitimate expectations of their neighbors.
7. The continued development of carefully coordinated joint planning between the University and surrounding units of local government, typified by the nationally-recognized public transit activities that resulted from such endeavors in the recent past.
8. Recognition that the University's most important asset is intellectual, and that the application of faculty, student, and staff expertise to the resolution of municipal and community problems constitutes contributions of significant value.

October 5, 1995

UNDERTAKINGS

To secure these objectives, the City of Ithaca and Cornell University agree to the following provisions, both singly and jointly as the case may be:

1. The City of Ithaca and Cornell University pledge to conduct their affairs in a spirit of mutual recognition and support.
2. Not later than January 15, 1996, the University and the City will jointly appoint a Cornell-City of Ithaca permanent working group, comprising no fewer than two executive officers of the University and the heads of those operational units of the University that interact most frequently with City departments and agencies, two members of the City of Ithaca Common Council, and a comparable number and level of City personnel.
 - a. The permanent working group will meet on a regular basis, and at least quarterly, with the goal of analyzing issues of common concern and making specific proposals for consideration by the respective decision-making bodies of the City and the University.
 - b. The subject matter for consideration by the permanent working group will include, but not be limited to, the provision of municipal fire and police services, public transit opportunities, the availability of affordable housing and its relationship to the presence of on-campus housing, the role of University community service programs, the availability of University facilities and programs to members of the public, the respective roles of the City and the University in the regulation of traffic and parking and in the maintenance and renovation of the surrounding infrastructure, and matters of common concern affecting zoning, land use, and the environment.
3. The City of Ithaca pledges its determination to review University applications for building permits and other municipal authorizations in a professional, expeditious, and cost-conscious manner, consistent with applicable federal, state, and local law, and in a manner consistent with the mutual objectives delineated in this Memorandum of Understanding.
4. The University agrees to continue its present commitment to exercise its purchasing power, to the extent practicable, to support the local economy.
5. The University will encourage and facilitate opportunities for members of its student body, faculty and staff to offer their voluntary and professional services to the City to the fullest extent possible.

6. The City of Ithaca acknowledges that in making voluntary monetary, material, and in-kind contributions to local municipalities, school districts, and community organizations, Cornell University neither intends to waive its tax-exempt status afforded by the laws of the State of New York nor to enter into a contractual arrangement for payments in lieu of taxes. The City further agrees that during the life of this Memorandum of Understanding it will take no step to seek a change in that status of the University, whether through judicial, legislative, or other means. The University acknowledges that nothing in this Memorandum of Understanding modifies the obligations of the City pursuant to federal, state, and local law.

7. The University pledges to continue its long-standing commitment to provide voluntary financial contributions to the City of Ithaca and agrees to support fire protection and other municipal services during the life of this Memorandum of Understanding according to the following schedule:

Year	Payments (\$000)		
	Fire Services	Other Municipal Services	Total
1995	225	25	250
1996	250	50	300
1997	275	75	350
1998	300	100	400
1999	325	125	450
2000	375	175	550
2001	400	200	600
2002	425	225	650
2003	450	250	700
2004	475	275	750
2005	550	350	900
2006	575	375	950
2007	600	400	1,000

a. In each calendar year, beginning with 1996, the University's contribution pursuant to this schedule shall be made not later than July 15.

October 5, 1995

b. In each calendar year, beginning with 1996, the City will report to the University by February 15 on the manner in which it has expended the University's contribution in the prior calendar year and the purposes for which it intends to expend such contribution in the current calendar year.

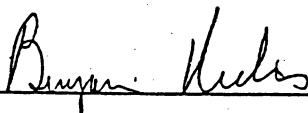
c. These voluntary contributions constitute the total voluntary financial obligation of the University to the City of Ithaca during the period of this Memorandum of Understanding.

8. This Memorandum of Understanding shall take effect immediately upon authorized approval of the respective governing bodies and shall remain in effect through December 31, 2007. Recognizing that the composition of their respective governing bodies (the City of Ithaca Common Council and the Cornell University Board of Trustees) will inevitably change over time, the parties pledge the good faith efforts of their institutions to secure the attainment of these provisions throughout the life of the Memorandum of Understanding. This Memorandum of Understanding is subject to cancellation upon written notice (with stated reasons) not less than six months prior to the start of the calendar year in which the proposed voluntary contribution is to be made.

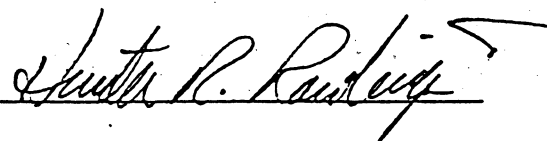
9. Not later than April 15, 2007, the University and the City each will appoint three senior officials to meet for the purpose of reviewing this Memorandum of Understanding and determining whether and how it should be amended and extended into the calendar year beginning January 1, 2008, and beyond.

SIGNATURES

In witness hereof, we have affixed our signatures on this 31st day of October, 1995.



Benjamin Nichols
Mayor
City of Ithaca



Hunter R. Rawlings III
President
Cornell University



9.

CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager Richard C. Rossi, Deputy City Manager

May 21, 2001

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 01-158, regarding a report on town-gown agreements in other university cities that deal with long-term planning and payment of in-lieu-of-taxes, received from the Board of Assessors.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy". The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.

Robert W. Healy
City Manager

RWH/mec
Attachement



2185

Consent Agenda #9

Awaiting Report Item
Number 01-158, regarding
a report on town-gown
agreements in other university
cities that deal with long-term
planning and payment of
in-lieu-of-taxes.

In City Council May 21, 2001

*Referred to Finance
Committee and
Neighborhood and
Long Term Planning
Committee with request
for additional information
on motion of
Councillor Borne*

5-21-01

mc