



City of Cambridge

2.

COUNCILLOR WALSH

IN CITY COUNCIL
MAY 14, 1990

- WHEREAS: An epoch-making event took place recently in the relationship between the world of the university and that of the city in which a university is located when a Memorandum of Understanding between the City of New Haven, Connecticut and Yale University was signed by New Haven's Mayor John C. Daniels and Yale University's President Benno C. Schmidt, Jr.; (copy of memo is attached through the graciousness of Mayor Daniels); and
- WHEREAS: Noting that "This Memorandum of Understanding represents a determination on the part of the City and the University to enter upon a new era of partnership, friendship and cooperation", the signatories affirm a shared belief that "the welfare of the City and the University are closely related" and "this Memorandum of Understanding represents a fundamental building block in fostering that relationship"; and
- WHEREAS: While particulars of the Memorandum are conditioned by specific concerns which are relevant to New Haven and Yale, the overall attitude of the Memorandum should be adopted by the City of Cambridge and its two major resident universities and the Memorandum's specifics adapted to the realities which we confront together in Cambridge now and into the future; and
- WHEREAS: New, creative, enduring initiatives on many fronts between Cambridge and Harvard University and MIT are long overdue; now therefore be it
- ORDERED: That the City Manager forward a copy of this Order and Memorandum to the Presidents of Harvard and MIT for review, together with an invitation to each that he, or his designee, come before a regularly scheduled session of the City Council prior to June 25, 1990 to initiate discussions which will result in structuring a similar type of Memorandum with the City of Cambridge whose content will be relevant to the City of Cambridge scene; and be it further
- ORDERED: That the City Manager report back to this Council no later than June 4, 1990 to confirm the agreed upon date when the Presidents or their designees have found convenient to come before this Council to begin dialogue on this proposal.

In City Council May 14, 1990.

Adopted by the affirmative vote of nine members.

ATTEST:- John E. Flynn, Deputy City Clerk.

A true copy;

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John E. Flynn, Deputy City Clerk.

MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF NEW HAVEN AND YALE UNIVERSITY

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 Memorandum of Understanding 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 Memorandum of Understanding 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 and the Mayor of New Haven that this Memorandum of Understanding 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.

Fire Services

1. Yale University will make an annual voluntary contribution to the City of New Haven in recognition of fire services provided by the City to University-owned tax-exempt properties. These voluntary contributions 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 voluntary contribution will be equal to the preceding year's contribution 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 Alderman in June of that year as compared to such allocation for the preceding year. [The fiscal year 1991 voluntary contribution of \$1,167,000 is equal to 5.68% of the City's general operating budget allocation to the City of New Haven Department of Fire Services for fiscal year 1990 as approved by the Board of Alderman in June, 1989. The fixed share of 5.68% is based on the proportion of City of New Haven Fire Service responses to Yale-owned tax-exempt properties relative to all City of New Haven Fire Service responses for 1988-89. In order for the voluntary contribution to be predictable this share will remain fixed from year to year.]

Golf Course

2. 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 agrees to support these changes. As a result of the institution of these operational changes, which will embrace commercial use, Yale will agree to placement of the Golf Course on the grand list of October 1, 1990. 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 New Haven of \$304,224 at the current mill rate of 73.5.

Public Walkways

3. Yale 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 Yale campus. Yale is willing to pay the City of New Haven \$1,100,000 for the right to close the following two streets permanently to general 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. Subject to the continuing right of the public to pass and repass and to the City's access to underground utilities, Yale may use and occupy the airspace over the aforementioned streets and the ground under those streets.

Center for the City

4. 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.

Commitment to Retain Present Tax Treatment

5. During any period in which Yale makes voluntary contributions under Paragraph 1 above, the City agrees that it will not assess property taxes against any Yale-owned properties which are tax-exempt as of this date (other than the Yale Golf Course), so long as such property or properties 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.

\$30,000,000 Consortium Loan

6. 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 a short term private placement loan of \$30,000,000 to the City. Yale'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's share of the loan will not exceed 25% of the total, or \$7.5 million.

The undertakings set forth above are mutually dependent and not severable.

This Memorandum of Agreement has been mutually established by the City of New Haven acting by and through its Mayor, John C. Daniels and Yale University acting by and through its President, Benno C. Schmidt, Jr.

Date:

Signed:

John C. Daniels
Mayor
City of New Haven

Benno C. Schmidt, Jr.
President
Yale University



City of Cambridge

2.

IN CITY COUNCIL

COUNCILLOR WALSH

MAY 14, 1990

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City Council MAY 14 1990

Adopted by the affirmative vote
of 9 members

John E. Foley City Clerk

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Date:

Signed:

John C. Daniels
Mayor
City of New Haven

Benno C. Schmidt, Jr.
President
Yale University

Order # 2 *F-256*

Councillor Walsh re: Memorandum of Understanding between the City of New Haven, CT and Yale University.

In City Council,

May 14, 1990

Order adopted