

Before moving to the workplan for the current meeting, Ms. Miller invited brief comments on the May 28, 2002 summit meeting with university attendance. Ms. Miller then moved to the workplan for this meeting, which she described as answering the following questions:

1. What work should the Committee propose?
2. What city interests must be protected?
3. What structure will best achieve the goals?

Vice Mayor Davis said that the financial stability issue must be settled as soon as possible. On the city side, the work there will continue to be done by the City Manager and his staff. There should probably be a somewhat tighter connection to the Council, not much tighter, but a little tighter. For her the confusing part is the long term planning and its tie to the immediate conflicts and hotspots that arise from the universities' steps to implement their long-term plans. The other areas could be addressed with the type of appointed and representative task forces that Councillor Decker has recommended.

Councillor Murphy suggested that the Council consider, with respect to long term planning, whether the current town/gown process, involving reports from the universities to the Planning Board, a Planning Board hearing and discussion and a report to the City Council, should happen more often than once a year. Ms. Rubenstein agreed and added that the meetings should happen more than once a year as long as they become more than exercises in public relations presentations. There must be real information and meaningful exchanges. She also suggested that not all the meetings be held by the Planning Board; if there are four meetings per year, two could be with the Planning Board and two with the City Council.

Councillor Maher stated that he sees that suggestion as an example of something that could be recommended by a task force charged with looking at the issue of university/city long term planning and development.

Councillor Galluccio emphasized the need for separation of "good neighbor" and development issues. The universities should not see their good neighbor activities as a quid pro quo for getting their desired results in the various permitting processes required for their development projects.

Mr. Rossi noted the need for more information from the universities and an end to the surprise developments such as the purchase of Tech Square by MIT. Some surprise is inevitable in a competitive real estate market. However, the universities must consider how the community as a whole is ever going to feel more comfortable with the institutions' plans and projects when there continue to be surprises like Harvard's Polaroid site purchase and MIT's Tech Square purchase.

Vice Mayor Davis said that she would suggest research on model agreements between cities and universities with the view toward protection for the city even where there is not full disclosure.

Councillor Decker said that it is important to maintain a realistic view of the role of the universities as landowners and developers and the City Council's role as an advocate for and protector of residents and neighbors. There are times when the City Council will want to stop the university from development activities that it sees as harmful to the neighborhoods, and so the universities will never be comfortable divulging all of their land use plans. A permanent committee with representatives of the neighborhood, the Council, the City Manager and the universities, all appointed by the City Manager, would tend to de-politicize the long-term focus.

Mr. Rossi said that the successful negotiation of a plan to protect the city's financial stability and an agreement about physical boundaries for university expansion would go far towards reducing the adversarial content of the relationships.

Councillor Maher said that he agrees with Mr. Rossi that satisfactory financial protection and physical boundary agreements would result in major improvements in the relationships, but he noted that the City cannot reach these agreements through legislation by treating the universities differently from other entities, the agreements must be negotiated.

A discussion of the possibilities of a legislative solution to the financial and boundary issues ensued. Councillor Maher pointed out that the City does not have the legal power to prohibit the universities from acquiring more property. Councillor Simmons noted that the fact that the universities are different from all other landowners supports different legal treatment. Councillor Decker said that the laws could be changed. Mr. Rossi said that the likelihood of success in that endeavor is slight. Councillor Maher added that previous attempts to limit the applicability of the property tax exemption have gone nowhere.

Vice Mayor Davis said that the City can certainly continue to explore legal solutions. At the same time the Council has to look at what can be achieved through this process, to clarify the Council vision of where universities can grow, and to look at improving the town/gown process.

Ms. Rubenstein stated that the Growth Policy Document developed by the Planning Board and approved by the City Council does address many of these issues (**See Attachment B**).

Mr. Maloney said that the consideration of growth agreements with the universities would require the City Council to have a clear vision of what it can live with. MIT has made its intent to grow very clear. The question is "how?" not "whether." He noted that Mayor Sullivan had previously said that if there were an agreement that

acquisition by MIT would not affect the tax status of the property regardless of future educational use, he would actually prefer to have local ownership of Cambridge commercial property. What if Harvard had come to the City four years ago when Spaulding and Slye was planning office buildings for the Polaroid site and offered its present plan for faculty housing?

Mr. Rossi said that in such a case, the City could have negotiated for more affordable units than the number required under the Inclusionary Zoning Ordinance.

Councillor Decker said that Harvard's acquisition of the site for faculty condominiums right after the neighborhood won a hard fought fight for housing for the benefit of the neighborhood instead of offices shocked and outraged the entire neighborhood. An even bigger issue is that residents do not want to live in a city that is owned by Harvard. She, like her fellow citizens, wants a diverse city with real neighborhoods.

Councillor Simmons added that if the universities own too much of the city, they will have a bigger stake in the whole city's agenda than is healthy and appropriate.

Mr. Maloney said that Councillor Decker's views and Mr. Rossi's views could both be accommodated if Harvard had acquired the site and a third-party developer had built the extra affordable units for the city.

Vice Mayor Davis said that she believes that Northeastern University has a development of that type. She would like to see research on model agreements between universities and municipalities.

Ms. Miller suggested that in the short time left in this meeting, the members of the Council provide some guidelines in the high priority work areas for the committee to use in preparing recommendations to bring back to the full Council.

In the area of education, the following comments were noted:

- Lesley University must be at the table (City Manager Healy).
- The School Committee and School Administration must play a large role, Cambridge College should be involved, and Longy School of Music could help with providing much needed expansion of music opportunities for Cambridge students (Councillor Reeves).
- Work on education should be tied to the Agenda for Children and its priority goal of literacy (Vice Mayor Davis).
- To negotiate the kind of university involvement that will have a real impact on the school system, the City Council and the City Manager must remain deeply involved in the negotiations (Councillor Maher).

- Task force members will need to have the benefit of research and information about best practices and university/public school collaborations in other cities (Councillor Reeves).

Housing

- Cambridge needs more housing for families. The creation of living/working space for artists should also be considered (Councillor Reeves).
- The task force should foster joint university/city housing in which the university acquires the land and the city/nonprofit housing agency pays for units in the housing the university develops (Mr. Rossi).

Long Term Planning

- Ms. Miller noted that the Council has already expressed interest in building on the existing town/gown process with more regular meetings and more involvement of the City Council.
- Long term planning work should include looking at how there can be better protections for residents and neighborhoods. The group that looks at long term planning issues should include representatives from the City Council, the City Manager, Community Development, the universities and residents from the affected neighborhoods (Councillor Maher).

Councillor Reeves noted that he sees unresolved questions about the structure of the groups that will be making decisions in the priority areas. To get real commitments from the universities, the presidents must be involved in the discussions, and the City must be talking to the presidents. The group that speaks for the city must include the City Manager and the Mayor. These people make the agreement. The task forces implement the agreements.

Ms Miller moved to the area of financial stability/taxes/ payments in lieu of taxes:

- This area involves the greatest consensus among members of the Council and the least amount of Council work because it is largely in the capable hands of the City Manager. The Council can emphasize its consensus and support for the City Manager's efforts with a Council policy resolution to that effect (Councillor Murphy).

Ongoing immediate development issues:

- There are often difficult timing issues involved in these matters. For example, in the Agassiz area, Harvard is seeking a building permit. In Riverside, residents are planning to file a zoning petition, which will have statutory time limits for Council action (Beth Rubenstein).

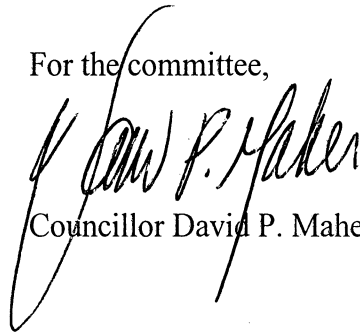
- The ongoing immediate issues usually come to the attention of the City Council through cries for help from neighborhood residents in the face of university expansion (Vice Mayor Davis).

Ms. Miller then invited public comment.

Elie Yarden, 143 Pleasant Street, expressed concern about apparent lack of information on the part of members of the Council. He stated that citizens want to know that their government has the will to protect civil society. That requires the Council to have a vision of the city that supercedes all other visions. Building a neighborhood is not easy. Harvard's plan to use the housing that the neighborhood fought for in Cambridgeport as faculty condominiums which must be resold to Harvard when the faculty leaves Harvard will not build neighborhood and community. The building will in effect be a barracks for Harvard teachers, whose stake is not in the neighborhood but rather in the institution.

The meeting was adjourned at 11:25 a.m.

For the committee,

A handwritten signature in black ink, appearing to read "David P. Maher", written over a printed name.

Councillor David P. Maher, Chair

Discussion Documents from University/Cambridge Summit of 5/28/02
MIT, Harvard, Cambridge participants
Roberta Miller, Facilitator

Where to Start: Opportunities for Improvement and/or Common Work

- (18 – 5P) **Predictable process** for future with particular focus on long term
Long term planning: how do we do this better (1)
- (15 - 7P) **Education:** efforts to improve public schools
- (8 – 2P) **Affordable housing**
Need common understanding/same language(affordable housing for whom?)
- (8) **Ongoing dialogue:** place for problems to go
Look at approaches to reaching solutions that work (2 – 1P)
Better understanding of each other’s economic constraints, institutional constraints, and missions (1)
Better understanding of economic development efforts (5)
Add each other to our agendas

The following two areas were more general discussion topics which impact all of the priority opportunities.. Comments are prioritized.

Tax and land use issues (Cambridge currently has active negotiations with both Harvard and MIT on their financial obligations to the city. These issues were not focused on in the discussions except to note their strategic importance.)
“For a period of time” not adequate for financial agreements (7 – 3P)
Resolution of tax and land use issues (3)

Liveable Community/Neighborhood Preservation (These issues were discussed in a variety of ways and impact all of the discussion topics.)
Better definition of community (2 – 1P)
Reconcile growth needs and community vitality issues (1)
Definition of transition areas between the Universities and Community: knitting together (1)
Signature philanthropy (1)

The numbers in parenthesis indicate the total number of priority votes cast by participants for that particular item. The P number indicates the number of top priority votes.

Cambridge Challenges

- Economic base of Cambridge linked to the Universities as major employers, tax payers, and attractors of knowledge based companies. Universities are non profit and have clear legal protections.
- Separation of powers in form of government: no one deal maker
- The city's goals which include such issues as : services, affordable housing, education, public participation, community, neighborhood preservation, congestion issues, economic vitality, and university activity to improve the life of the city.

MIT's Challenges

- Attracting the best students and faculty: housing, spouse employment, quality of life
- Maintaining academic mecca: global competition
- 1000 ideas and matching them up with the resources to develop them; unclear where philanthropic support will come from
- Improving mutual understanding with the city

Harvard's Challenges

- 10 year project of physical expansion into Allston/Brighton
- Management challenge to plan and execute the expansion: very decentralized structure
- Affordable housing
- Moving beyond disciplines to develop new knowledge
- Improve life sciences and related fields
- Subject to more scrutiny
- City and Harvard have to do well together

CITY Perspective on a Good University Neighbor (City Council/Administration Priorities)

1. Financial responsibility: long term protection of tax base, fair financial contribution to support city services, and appropriate philanthropic participation
2. Manage growth in a way that is consistent with city's goals: "City of 13 neighborhoods"; voluntary compliance with the city policies relating to quality of life
3. Communication and dialogue: advanced knowledge of development and expansion
4. Common approach to housing problems
5. Sensitivity to campus edge issues (i.e., not turning backside to community; sensitive placing of loading docks, public access to green space, design, etc.)
6. Coordinated efforts to support public education in Cambridge
7. Hiring Cambridge residents
6. Sharing expertise

MIT's Hopes for the Cambridge/MIT Relationship

Process

- That the City and MIT achieve an accurate operating understanding of one another's real priorities, issues and concerns.
- That the City and MIT agree on our most important joint concerns, and focus on them, rather than allowing our efforts to be diluted by trying to address a multitude of other matters.
- That we work together in good faith, and treat one another with respect, civility and patience.
- That we give one another the benefit of the doubt, and pause to seek clarification before reacting.
- That there is a productive environment through which to raise issues for discussion and resolution.
- That the City and MIT acknowledge one another's financial concerns and legitimate business interests.
- That every project or process be reviewed on its merit, without connecting it to other issues, unless there is a natural affiliation.

MIT's Hopes for the Cambridge/MIT Relationship

Policy

- That all sectors of the Cambridge community continue our collective effort to bolster the public school system.
- That the Cambridge community work together to promote housing that is affordable.
- That the City acknowledge that MIT's contributions to the local economy are significant (serving as a high tech/ biotech magnet, paying and leveraging taxes, creating jobs, enhancing property values...).
- That the City recognize that since MIT's mission is academic, our strongest avenue of contribution is educational in nature (working in the schools, sharing expertise).
- That MIT works to implement a foundation of predictability, sustainability, and flexibility in our policy initiatives.

HARVARD's Perspective on Harvard/Cambridge Relations

The Ideal Relationship:

- Open and continual opportunities for communication, both formal and informal
- Willingness among all parties to work toward principled, fair, honest solutions to issues that balance the needs of the University and the City and focus on mutual interests
- Does not presuppose adversarial relationship but rather a cooperative one where differences can be understood and worked out
- Maximize Harvard's ability to help the city achieve its goals for a well-educated, healthy and prosperous citizenship, consistent with our primary missions of creating new knowledge and transferring knowledge to a new generation
- Shared understanding that the university needs to be able to utilize properties that comprise the Cambridge campus to remain a vital center for teaching, learning and research as new fields of knowledge emerge.

What the City can expect from Harvard:

- Consistency in articulating/applying planning principles and a willingness to consider further refinement over time as circumstances warrant.

campus planning and design principles include:

- Respect the historic character of the university while recognizing contemporary developments in design
- Maintain proportions in building, massing and landscaping that are sensitive to human scale
- Demonstrate a commitment to excellence of design in the choice of architects and the formulation of programs.
- Utilize existing facilities through conversion rather than constructing new structures, when feasible
- Maintain a sense of open space by limiting vehicular traffic and concealing parking facilities
- Recognize the concerns of the community in the formulation of building programs, especially in the transition zones where development intensity can exacerbate conflicts.
- Facilitate collaboration to foster a sense of University community.

Principle governing removal of property from tax rolls:

- When Harvard is able to utilize newly acquired property to support its mission of education or research, resulting in the withdrawal of the property from tax rolls, Harvard will make voluntary payments for a substantial interval and at a level that reflects the impact of the acquisition on tax collection.

Benefits and Resources

Cambridge Provides
(MIT/Harvard perspective)

Universities Provide
(Cambridge perspective)

<ul style="list-style-type: none"> • Liveable scale of the city • Strong, vibrant neighborhoods • Quality of life • Values: esp. cultural diversity • Linguistic diversity • Level of Tolerance • Range of beliefs • Rich “idea” environment’ • Respect for range of ideas (generally) • Strong, bold, proud • Excellent progressive planning efforts • Respect for city’s history • Tradition of strong professional administration • Strong labor force • Infrastructure • Commitment to affordable housing 	<ul style="list-style-type: none"> • Engine for economic development • Economic anchor • Employment opportunities • Attractive place for visitors and future residents • Vibrant intellectual climate • Significant architecture, well maintained • People magnets: constant influx of young people; vibrancy • Important non profit partners (fewer long term participants) • Cultural amenities • Shared support for environmental and diversity values • Educational opportunities • Inexpensive entertainment opportunities • Factor of uniqueness: adds to definition of city • Academic resources available to the city • Student initiatives • Historical significance • Most important city in the world; elite
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Current Perception of City/University Relations

(Themes from interviews)

- Tense: lack of trust and understanding in both directions; lack of understanding; fear
- Sad; missing opportunities for mutual gain
- Festering: lots of misinformation; lack of expressed mutual respect
- Strained
- Different: different aspects of the city have different relations; all have very different relations
- No capacity to deal with difficult issues
- Almost workable; some things get done (rezoning, etc.)
- Not easy; takes enormous amounts of institutional energy
- Unpredictable
- Little incentive for cooperative work

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AGENDA

Tuesday, May 28, 2002, Biogen Conference Room, 10 Cambridge Center, 7th floor

University Relations Committee of the Cambridge City Council

9:00 Start-ups: Welcome, Purpose, Desired Outcomes, Agenda Review, Introductions

9:30 Where we are today: Current situation

Current Benefits and Resources for the Universities and Cambridge (University representatives state Cambridge contributions and Cambridge articulates University contributions)

Challenges for the City

Institutional Challenges for MIT

Institutional Challenges for Harvard

State of the Relationships (from Interviews)

Structure of the Organizations (charts)

10:45 Break

11:00 What would be an ideal relationship between the Universities and the City?

Cambridge perspective

MIT perspective

Harvard perspective

Commonalities and Differences

11:30 Opportunities to Improve the relationship; Opportunities for common work?

12:30 Working Lunch

1:00 Next Steps and Broadening the conversation: Involving citizens and organizations

1:30 Adjourn

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Institutions have been playing a role in the development of Cambridge almost from its inception. In the late twentieth century the influence of the universities and many lesser institutions is among the more central forces defining the future of Cambridge.

Assumptions

- ▶ *The major institutions in Cambridge will continue to play an important role in the private economy of the city by stimulating the formation and development of new enterprises.*
- ▶ *As holders of large parcels of land and supporters of a large client population that places a heavy demand on the city's limited housing supply, the city's major institutions have the potential to contribute significantly to the amelioration of the housing supply and affordability problems in Cambridge.*
- ▶ *The generally positive influence of the institutions' presence in Cambridge, both socially and economically, must be weighed against the potentially negative impacts, both financial and social, of continued institutional expansion that does not adequately consider the effects of such expansion on the larger community.*

Cambridge would certainly be a different place were it not home to Harvard, the Massachusetts Institute of Technology, and the many small institutions also found here. While the relationship between the city and its institutions is generally positive, it is also dynamic. This, at times, may make the harmonization of the interests and objectives of each difficult, or in the extreme, impossible. The expansion of the research role of the universities in recent decades has spawned the growth of private enterprises which have fueled the city's commercial resurgence. The expansion of, or appearance of new, functions at those universities has produced a need for

Institution Policies

The policies applicable to institutions as set forth here address both the broad issues related to institutional presence in the city as well as the effects of particular types of institutions on Cambridge and its residents.

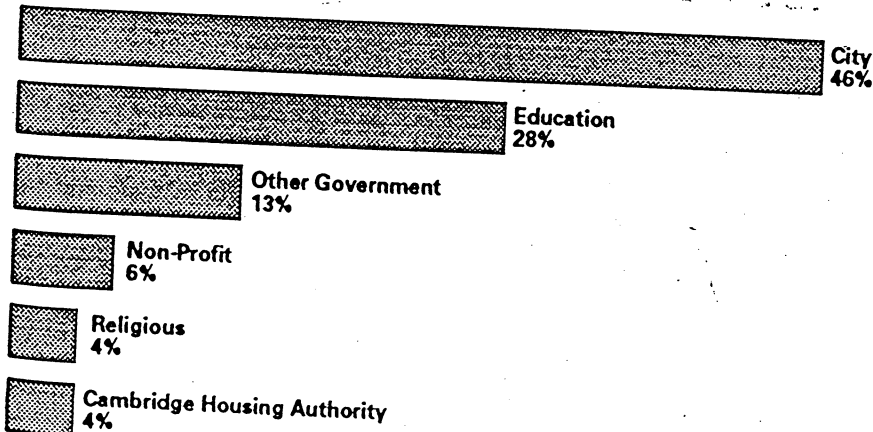
Community Interaction

Institutions have played a role in Cambridge since the city's establishment. Starting with the founding of Harvard College in 1636, the city has become home to several hundred institutions. These include schools, universities and hospitals; city, county, state and federal governments; churches and affiliated activities; and a whole array of non profit organizations, all serving a wide range of social, cultural and economic needs. Many institutions provide direct services to the city's residents; others are located here because of the services the city and fellow institutions provide to them.

While all institutions share some common characteristics, City policies cannot treat them in a single way, due to their varying natures, missions, sizes and needs. However for all institutions, regardless of size, there is an external impact on the surrounding community which requires attention; the cumulative effect of all of those impacts may in part be positive but it may also have serious negative consequences which are felt citywide.

Institutions, of which the City is the largest, have come to own nearly one-half the land in Cambridge. The substantial amount of land owned by institutions and their varied natures give rise to special planning concerns. Growth of client populations, expanding physical plants, acquisition of property, property development and tax-exempt status are some of the sources of friction between institutions and the city's residents. From the

Tax-exempt area in Cambridge



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city's perspective these factors combine with the competing demand for scarce land for alternate commercial development and the legal constraints to raising tax revenue to highlight the serious planning issues that arise for the future of Cambridge.

The institutions have another perspective. Policy 50 recognizes that they must maintain their competitive standing by adapting to rapidly evolving demographic, technological, and economic environments. Adaptation takes the form of both programmatic and physical changes.

Institutions must now compete within their own industries by expanding or altering their mission and by providing better services and amenities to their client populations. Cambridge Hospital, for instance, proposes to improve and expand its facilities to better serve its client population in a competitive environment where the prospective patients may choose to go to another hospital. Growth of research and other programs through grants, expansion of professional and certificate programs, and expansion of continuing education and lifelong learning all impact on support staff and physical plant.

Clearly, the policies and actions of institutions can come in conflict with the policies of the City and the needs and expectations of its residents.

Policy 49 suggests there is a strong need for dialogue between the City, its residents, and the major institutions to avoid conflict, and to achieve a healthy balance between institutional and non institutional interests. Such discussions need to take place on a variety of levels and on a variety of issues including those focused on land use, future physical and programmatic plans and community needs and concerns.

There is a need to have distinct planning processes for different types of institutions. While there are overarching planning issues that encompass all institutions regardless of size, there are also characteristics and needs peculiar to an institution that may need to be considered in a more focused planning

POLICY 49

The City and its major institutions should engage in a formally established on-going dialogue to share concerns; identify problems, conflicts, and opportunities; and to fashion solutions and areas of cooperation to their mutual satisfaction. As part of this dialogue, each institution should create a plan describing its existing status as well as outlining its future needs and goals, and the means for achieving those goals.



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for effort. While both are large operations, the needs, impacts and services to the community of universities and hospitals can be quite different.

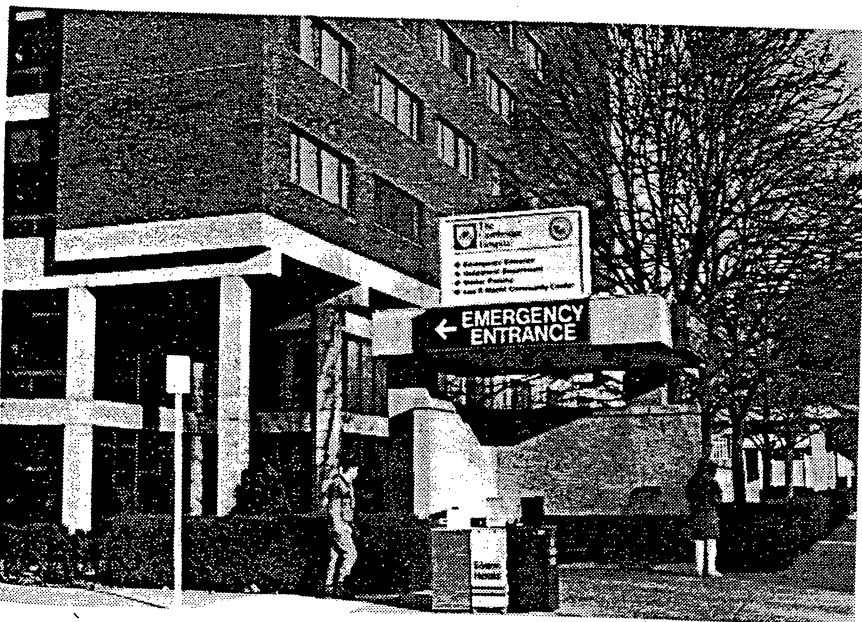
Much work has already been done to advance these policies. The 1991 Mayor's Report on Community-University Relations calls for inclusive dialogue between universities, the community and the City; the report was developed by a citizen/university/City committee working in 1991. Another recommendation of the Mayor's Report calls for the Planning Board to review annually the plans and programmatic forecasts developed by the universities and for the City to implement the planning recommendations of the Report and the policy directions suggested in this document.

On a more localized scale, Harvard University and residents working jointly on the Riverside Neighborhood Study Committee, compiled a set of recommendations to improve the relations between that neighborhood and the University. As part of those recommendations, procedures were set forth whereby plans for future physical development by the university could be discussed. In the same way, residents from Mid Cambridge, Agassiz, Neighborhood Nine and Neighborhood Ten; representatives from the Harvard Square Defense Fund and the Cambridge Citizens for Livable Neighborhoods; the City; and Harvard University meet to discuss the University's plans and programs and their potential impact on the surrounding neighborhoods and Harvard Square.

For these dialogues to be successful, the institutions must engage in their own internal planning, identifying the specific and institutional trends which will shape the physical dimensions of their operations in the future, as Harvard University is doing with its Project 2000 and the Cambridge Hospital with its capital plan. Sharing such information as part of a frank expression of needs and priorities by the City and its neighborhoods offers the opportunity to forgo conflict in the future or to reach fruitful compromises should basic interests come into conflict.

POLICY 50

The City should recognize the need for the major institutions to adapt and respond to changing circumstances to maintain their leadership positions in education, health care, and research while recognizing, responding to and coordinating with City policy goals.



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The wish of affiliates to live near their university, while desirable from many public policy perspectives (reduced commuting, involvement in their host community, etc.), nevertheless places an extra burden on an already tight housing market in portions of Cambridge where opportunities for expansion of the housing supply are very limited. Further, permanent residents of a neighborhood can come to view more transient students, when present in large concentrations, as having a destabilizing effect on their communities.

The universities recognize that problem, but also recognize from their own specific point of view the obligation to meet the housing needs of graduate students and junior faculty in order to remain attractive in a nationally competitive academic environment. The city can expect that the larger educational institutions, if out of self-interest alone, will seek opportunities to expand their housing stock in the years to come.

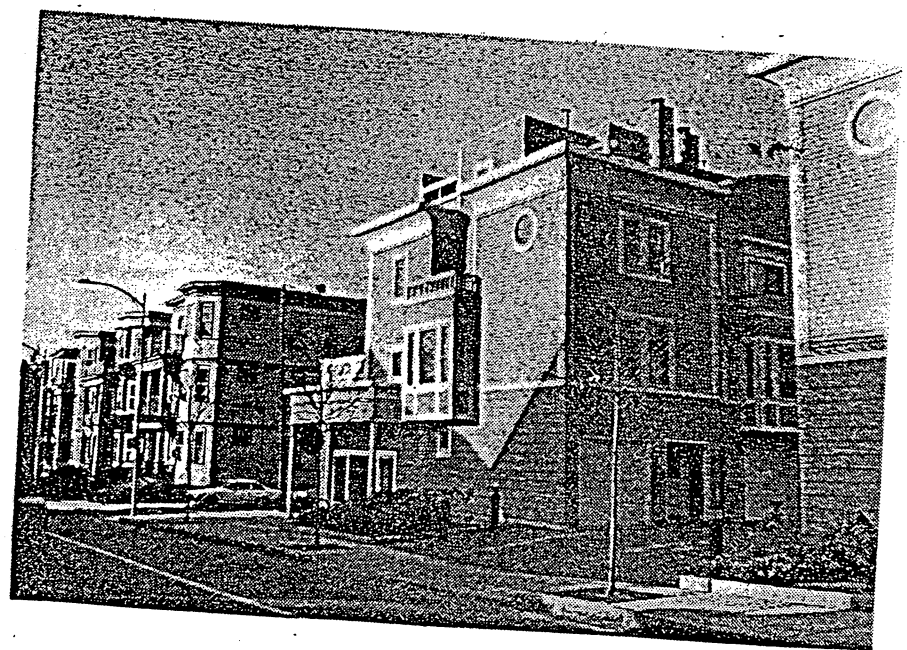
As holders of large parcels of land in central locations, these institutions have the potential to contribute significantly to the amelioration of demand on the city's current housing supply through new additions to that supply. However, Policy S2 encourages the schools and universities to develop that housing within existing campuses and on other land now owned by those institutions.

The policy is not meant to encourage schools to purchase additional land abutting campuses to accommodate additional physical growth. However, the institutions' and the city's interests might be served jointly, if the financial resources were harnessed to construct new housing fully integrated into residential neighborhoods, to serve the institutions' faculty and staff needs and the general, unaffiliated population as well.

Peabody Terrace (Harvard housing for married students developed in the 1960s) towers over its neighbors. By contrast, Harvard's Concord Avenue townhouses (affiliate housing developed in the 1980s) were designed to respect the neighborhood context.

POLICY 52

The city's major educational institutions should be encouraged to provide housing for their respective faculties, students, and staff through additions to the city's inventory of housing units. Effective use of existing land holdings should be a tool in meeting this objective, where it does not result in excessive density in the core campus. In addition, where new housing is to be located within or abutting an existing neighborhood, it should match the scale, density, and character of the neighborhood. The institutions should be encouraged to retain this housing for client populations over an extended period of time. They should consider housing other city residents within these housing developments as a means of integrating the institutional community with city residents.



stitutions

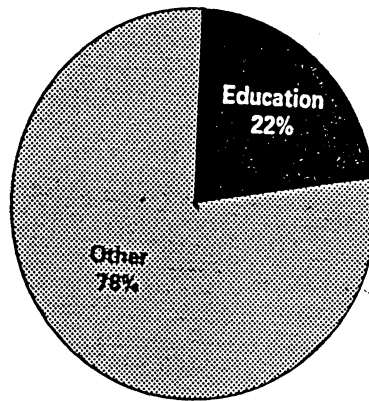
Preservation of the City's Tax Base

One of the most troublesome problems that expanding institutions pose for the city is the loss of property tax revenues through the conversion of private tax paying uses to tax-exempt academic uses. City services provided to the institutions, like fire protection and trash collection, increase with an expanding physical plant, while the revenues to pay for those services decrease, thus placing an additional financial burden on the city. For some institutions, a voluntary cooperative arrangement with the City to make payments in lieu of taxes (PILOT) reduces these negative tax consequences.

However, the economic impact of the large institutional presence in Cambridge is not limited to a simple calculation of the total amount of tax exempt property and the theoretical loss of tax income ascribed to that inventory.

A strong commercial and industrial economic component in the city is of course vital to the city's economic health. While only a small number of land owning institutions contribute directly to Cambridge tax income with in lieu of tax payments, and most pay nothing at all, institutions make substantial if indirect contributions to the larger private commercial economy. Institutions are a substantial source of employment in Cambridge, and are nine of our 25 largest employers; education alone provides about 23,000 jobs, or 22 percent of the total jobs available in Cambridge. Those circumstances are not likely to change in the near future.

Cambridge employees



Further, institutions are, and will continue to be, a source of emerging technologies and businesses. They spawn many of the knowledge-based industries centered on software, artificial intelligence and bio-medical innovations that are establishing themselves in Cambridge today. These new companies, along with more established businesses, view accessibility to the city's institutions as among the strongest motives for doing business in Cambridge. These new enterprises will be an expanding source of jobs in the future.

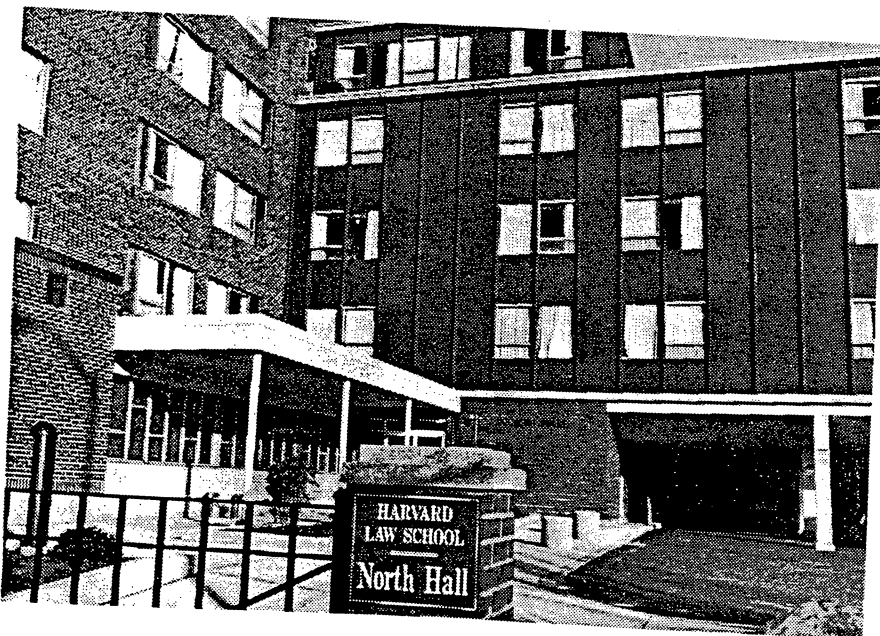
Institutions also sustain a considerable amount of related economic activity. Support businesses, including doctors' offices and medical laboratories; certain retail; and even tourism owe much to the presence of a unique inventory of institutions in the city.

Institutions should be encouraged to make maximum use of existing tax-exempt holdings in accommodating new physical and programmatic expansion.

Policy 53 recommends that any further withdrawals by the large universities from the inventory of tax paying property should be very limited and consistent with other policies outlined in this document; and in such circumstances the City should be compensated through expansion of the PILOT agreement. Participation by smaller organizations in a PILOT program might be considered as part of the conditions established when discretionary permits are required from the City to establish a new institutional presence.

POLICY 53

Except in circumstances where further institutional growth is appropriate or beneficial to the city as a whole (see Policy 7) the city's institutions should be discouraged from creating new fiscal burdens on the City treasury through the conversion of property from tax producing uses to nontaxable uses, and should mitigate any harmful effects of such conversions through financial compensation.



A building formerly used as a motor inn has just been rehabilitated for use by Harvard Law School.

Smaller ally, do area in many o dents; r life and Th not of i city; th disting genera ally ea W even m ing reg special indivic lined i ance t

Commercial Investment

The city's large institutions are complex organizations whose traditional mission is being joined increasingly by other activities designed to enhance that core function, support the institution financially, or stabilize and enhance the noninstitutional environment abutting the core campus, in an effort to maintain and improve their competitive standing in their respective industries.

Much of this nonacademic activity is occurring in commercial and industrial areas where the institutions' efforts affect the city in ways similar to those of any private property owner. Issues of traffic, density, height and urban design arise.

However, unlike many typical development organizations the institutions are permanent citizens of Cambridge with as long a view into the future as the city itself. Policies 54 and 55 suggest that much benefit can accrue to Cambridge if that long-term view, coupled with significant financial resources, can be recruited to advance articulated City development goals as well as those of the institutions

The comprehensive redevelopment of the former Simplex site by the Massachusetts Institute of Technology is an example. The site serves as a source of income for the Institute, and has the potential to be a place of operations for new knowledge-based businesses originating out of the Institute's academic ranks and for other commercial ventures. The site will also serve the city's interest by providing enhanced tax revenue, hundreds of housing units, a continuing source of jobs, the development of much useful open space and the physical enhancement of a significant area of Cambridgeport.

The long-term commitment the universities must make to their home city offers a unique opportunity to advance community and institutional interests when universities act as investors in private property development and management.

Successful cooperation and mutual benefit depends in part on careful articulation of public policy objectives and a frank articulation of institutional objectives as well.

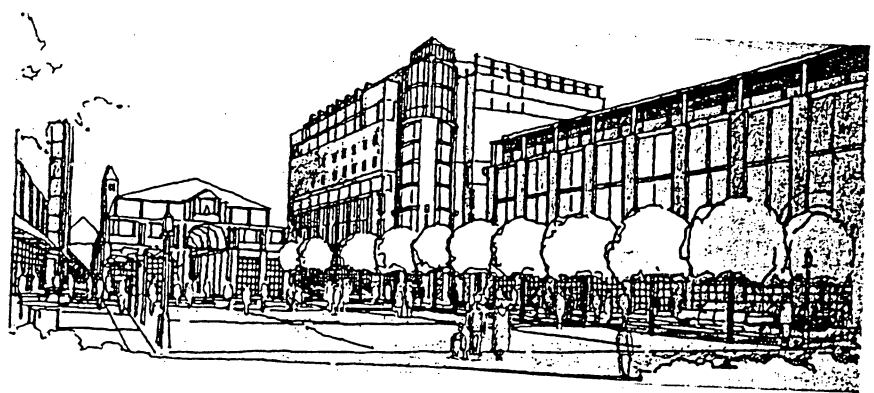
POLICY 54

The institutions' capacity for commercial investment should be directed in part to assist in the transformation of evolving industrial areas and commercial districts, as defined by City policy and elaborated upon through formally established, on-going planning discussions.

POLICY 55

Where major institutions invest in commercial properties, their willingness to manage those properties partly in response to broader community objectives of diversity and community need, as articulated through the continuing formal dialogue with the City and its residents, should be encouraged, consistent with the institutions' fiduciary responsibilities.

This sketch suggests an image for the major open space that will be at the heart of University Park, which is being developed on the former Simplex site. It will be connected to the existing neighborhood by improved sidewalks and pathways.



Smaller Institutions

Smaller institutions, while not having a large effect on the city individually, do have effects which are sometimes substantial on the immediate area in which they are located. These institutions serve many functions, many of which are far removed from the daily lives of Cambridge residents; nevertheless, they contribute to the diversity of the city's cultural life and population.

The activities of the city's numerous small institutions are generally not of great concern when they occur in the nonresidential areas of the city; they are frequently merely tenants of commercial buildings not easily distinguished from any commercial operation. When their activities do generate wider impacts (traffic and parking as an instance) they are generally easily absorbed in the commercial environment that surrounds them.

When institutional activities are located in residential areas, where even modest impacts are more easily felt, Policy 56 suggests that the existing regulatory process provides an adequate opportunity to review the special circumstances that attend to each individual institution and each individual site ; it also provides the opportunity to apply the policies outlined in this document where they may have relevance and provide guidance to the outcome of any regulatory process.

POLICY 56

Recognizing the localized nature of their physical presence, the city's smaller institutions should be regulated on an individual basis as provided in the zoning ordinance's institutional regulations and as they are impacted by zoning, urban design, and other City policies.

City of Cambridge

UNIVERSITY RELATIONS COMMITTEE MEMBERS

In City Council July 29, 2002

David P. Maher, Chair
Vice Mayor Henrietta Davis, Vice Chair
Councillor Brian Murphy
Councillor E. Denise Simmons
Councillor Timothy J. Toomey, Jr.

The University Relations Committee held a facilitated public meeting on June 26, 2002, beginning at 9:20 a.m. in the conference room of the Water Treatment Facility at 250 Fresh Pond Parkway. The meeting was held to discuss the next steps in the process of working toward a better relationship with the universities.

Present at the meeting were Councillor David Maher, Chair of the Committee, Vice Mayor Henrietta Davis, Vice Chair of the Committee, Councillor Marjorie C. Decker, Councillor Anthony G. Galluccio, Councillor Brian Murphy, Councillor Kenneth E. Reeves, Councillor E. Denise Simmons, Councillor Timothy J. Toomey Jr. Council staff present were City Clerk D. Margaret Drury, Deputy Clerk Donna P. Lopez, Elaine McGrath, City Clerk's Office, Sandra Albano, Assistant to the City Council, Garrett Simonson, Assistant to the Mayor and Vice Mayor.

The following administrative staff were present: Robert W. Healy, City Manager, Richard Rossi, Deputy City Manager, Beth Rubenstein, Assistant City Manager for Community Development, Jill Herold, Assistant City Manager for Human Services, James Maloney, Assistant City Manager for Fiscal Affairs, and Julia Bowden, Assistant to the City Manager. Roberta Miller, facilitator and trainer for collaborative processes was also present.

Councillor Maher called the meeting to order and requested that Ms. Miller begin the discussion. Ms. Miller distributed material entitled "Discussion Documents from University/Cambridge Summit of 5/28/02" and reviewed the outcomes from that meeting (**See Attachment A**). She noted that the prioritization process identified the following high priority cluster of work:

- Financial stability for the city and in-lieu-of-tax payments
- Public education initiatives
- Housing
- Long term planning
- Coping with immediate issues
- Developing, maintaining and updating the principles, responsibilities, goals and bench marks of the relationships between the city and the institutions

S-246

Committee Report #10

Committee Report from Councillor
David P. Maher, Chair of the
University Relations Committee,
for a meeting held on June 26, 2002
to discuss the next steps in the
process of working toward a better
relationship with the universities.

In City Council July 29, 2002

**REPORT ACCEPTED.
PLACED ON FILE.**