
Targeting Tufts, Somerville Rep. Provost calls for end to tax exemptions for universities

Tufts, Mayor Curtatone denounce initiative

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State Rep. Denise Provost (D-Somerville) is pushing for a bill that could require Tufts, which is a tax-exempt non-profit organization, to pay local property taxes, arguing that Tufts' contributions to the city are insufficient.

If the bill, currently in congressional committee, were to pass, Tufts would owe Somerville around \$5.5 million annually in property taxes, according to Provost.

Tufts' current agreement with the town, reached by University President Lawrence Bacow and Somerville Mayor Joe Curtatone in 2004 and modified in 2007, requires Tufts to give Somerville and Medford \$1.75 million over a period of 10 years. Tufts has agreed to the same contributions with Medford.

Provost is co-sponsoring House Bill No. 2759, which would require institutions of higher education to pay local property taxes. Many private colleges in the United States give their communities something termed Payments in Lieu of Taxes (PILOTs). Provost's bill includes a clause that would allow for deductions to a university's property tax if an outside agreement on contributions was reached. But Provost said in a letter to the Somerville Journal that Tufts' 2004 agreement with Somerville was "little, late and limited," as far as PILOTs go.

"I would like to see Tufts think more seriously about the needs of the city and about having a more equitable relationship with the city," Provost told the Daily.

Mary Jeka, Tufts' vice president for university relations, said she was satisfied with the size of Tufts' payments to Somerville, despite Provost's position. Jeka stressed the value of the university's non-monetary contributions to Somerville and Medford.

"This is what democracy is all about and we respect [Provost's] right to have the opinion, [but] you can't just narrowly look at the monetary contributions," Jeka said.

Both Bacow and Curtatone defended the relationship between Somerville and Tufts in a letter they co-authored and published in the Somerville Journal in June. The letter, in response to Provost, detailed a number of community benefits Tufts provides to the city, including programs to help Somerville High School students prepare for college; Shape Up Somerville, a program designed to promote nutrition and exercise among children; and the Tufts Neighborhood Service Fund, which has awarded \$80,000 in grants to Somerville non-profit organizations in over a decade.

Provost said that while she would not discount any of these programs, a closer look at their benefits to the community are questionable. She used Shape Up Somerville as an example, saying that while the program is "not a bad thing," it has "a very soft benefit."

"It's very indirect and it requires a lot of people in the community to participate for nothing," she said. The benefits for Tufts outweighed those for Somerville, she said, explaining that the university received a grant to run the program and a professor was able to publish his findings afterward.

Barbara Rubel, Tufts' director of community relations, said the university's operations have a positive economic impact on the city. "In Somerville alone we have an annual payroll of \$20 million and around 300 employees," she said.

Jeka said that the university has made an effort to respond to budget crunches in both Medford and Somerville, emphasizing that Tufts

treats both cities equally. When the market value of properties that Medford and Somerville rent from Tufts were slated to increase three years ago, Jeka explained, Tufts allowed both cities to continue to pay their rents at the originally reduced rate, equaling a savings of \$500,000 for both communities.

"The city was feeling the squeeze and made a cry for help," Jeka said of Somerville. Jeka added that it is "highly likely" that Tufts will want to renew payment contracts with Medford and Somerville in 2013.

This year has been harder on every budget, and Tufts would find it difficult to respond to an additional request from Somerville or Medford, Jeka said.

Provost denied that the timing of her testimony had anything to do with the recent financial crisis. "Municipal budgets are always strained," she said. "Revenue is always an important question all the time."

In addition to Mayor Curtatone, many administrators in higher education disagree with Provost's support for taxing Massachusetts universities.

Richard Doherty, the president of the Association of Independent Colleges and Universities in Massachusetts (AICUM), testified to the Massachusetts House of Representatives in May against House bill 2759. "H.2759 will not only undo long-standing public policy, it will wreak fiscal chaos on every independent college and university in Massachusetts," he said in his testimony.

Doherty said that most universities, including Tufts, do pay taxes on buildings that are not dorms or academic buildings, such as campus bookstores.

Boston University spokesperson Colin Riley supported Doherty's claim. "Boston University has negotiated payments in lieu of taxes that are nearly \$4.6 million a year," he told the Daily. In addition, he said, the school pays more than \$3 million in taxes on commercial properties.

More important, Riley said, was the role that independent colleges play in the economy. "Higher education is one of the major business sectors of the Massachusetts economy and plays an important role in the entire [Massachusetts] economy, particularly in the greater Boston area, in the sense of employees and economic activity."

Jeka pointed out that it was Tufts that came forward and offered to negotiate a payment plan with Somerville and Medford in 2004, and stressed that Bacow makes an effort to maintain good town-gown relations.

"He's reached out to all the communities ... and the reality of that has been extraordinarily good relationships with both mayors," she said. "If they need something they will call; if we need something we will call," she said.