



SPECIAL Common Council Agenda

Date: Wednesday, October 11th 2023
Time: 6:00 P.M.
Location: City Hall, 108 E. Green Street 3rd Floor, Council Chambers
Watch Online: <https://www.youtube.com/@CityofIthacaPublicMeetings>

NO PUBLIC COMMENTS

ITEM	Voting Item?	Presenter(s)	Time Allotted
1. Call to Order 1.1 Agenda Review	No	Mayor Laura Lewis	5 Min
2. Special Meeting Business 2.1 Resolution to Authorize Amended MOU for Voluntary Contribution by Cornell	Yes		60 Min
3. Meeting Adjourn	Yes		
Next Meeting- Budget Meeting			

Hybrid Meetings

Common Council has resumed meeting in person; however, due to limited seating capacity in Common Council Chambers, city staff and members of the public are encouraged to participate remotely if they would like to.

How to Participate in Public Comment Virtually Email Common Council Through the Agenda Link

Written comments can be submitted to Common Council using this form:

<https://tinyurl.com/mr9kdhw8>

Resolution to Authorize Amended MOU for Voluntary Contribution by Cornell

WHEREAS, for over 150 years, the City of Ithaca and Cornell have recognized the importance of each entity to the other; and

WHEREAS, despite the tremendous overall economic impact that Cornell brings to the region and the city, it bears a moral obligation to support its host city with direct financial contributions of a scale commensurate with its leading role in the community; and

WHEREAS, Cornell's tax-exempt real estate holdings in the city represent nearly half of the city's assessed property value (roughly 45% as last calculated); and

WHEREAS, under its now-expiring agreement with the City, Cornell contributed \$1.6 million to the City in 2023 and, due to expiration of that agreement, is not currently scheduled to make any payment to the City in 2024 or thereafter; and

WHEREAS, the City and Cornell held a series of negotiating sessions since April, and the Common Council received multiple briefings on the progress of those negotiations; and

WHEREAS, the City benchmarked its proposals across those negotiations against 25% of approximately \$33 million in property taxes that Cornell would pay were its property taxable, or roughly \$8 million, against which it provided Cornell with some credit for the many municipal-like services that Cornell provides in lieu of City expenditures on the same; and

WHEREAS, as of August 11, Cornell stated that its final offer was approximately \$3.15 million per year, to which the City responded by proposing approximately \$5 million per year; and

WHEREAS, beginning on September 7, an additional round of negotiations commenced in which Cornell and the City expressed a willingness to meet at the mid-point of their previous proposals; and

WHEREAS, this round of negotiations resulted in an agreement in principle—subject to approval by the Common Council and the Cornell Board of Trustees—that has garnered the support of the administrations at both the City and Cornell; and

WHEREAS, that agreement in principle, as reflected in the Term Sheet included herein, increases Cornell's current annual payment of approximately \$1.6 million to \$4 million, including an approximately \$2.4 million true-up payment to be made within 30 days of execution, thus providing the City and its residents immediate and significant new financial resources; and

WHEREAS, across the next two decades, this agreement in principle is anticipated, with inflation adjustments, to result in total payments by Cornell to the City in excess of \$100 million; now, therefore be it

RESOLVED, that the Common Council approves and ratifies the Term Sheet included herein, specifying that Cornell shall commence annual payment to the City of \$4 million, plus upward adjustments for inflation, each year for 21 years, beginning in 2023; and be it further

RESOLVED, that the Mayor is authorized, on the advice of the City Attorney, to execute an amended Memorandum of Understanding Between the City of Ithaca and Cornell University, reflecting the foregoing Term Sheet, in a form substantially similar to the amended Memorandum of Understanding included herein.

Voluntary Payment Term Sheet
Between the City of Ithaca & Cornell University

The City of Ithaca (“City”) and Cornell University (“Cornell”) intend to finalize and execute, following approval from their respective governing bodies, an amendment to the Memorandum of Understanding between the City of Ithaca and Cornell University, dated October 5, 1995 and previously amended October 21, 2003 (“MOU”), to continue Cornell’s voluntary contribution payment to the City. Cornell and the City shall expeditiously seek to finalize a definitive amendment consistent with the terms and conditions of this term sheet.

Term

July 1, 2023 through June 30, 2044

Voluntary Direct Payment (retroactive to July 1, 2023)

- Cornell shall contribute \$4,000,000 per year in the month of July, 80% of which shall be non-dedicated funds and 20% of which shall be Dedicated Funds as set forth below. The payment already made by Cornell for 2023 under the MOU shall be credited against this amount, and the true-up payment shall be made within thirty days following execution of the definitive amendment. The Dedicated Funds portion of the 2023 contribution shall be 20% of the true-up payment, and shall be encumbered by the City Controller and held over for allocation as additional Dedicated Funds in calendar year 2024.
- Use of dedicated funds:
 - The City agrees to expend Dedicated Funds only on Eligible Projects and Infrastructure (“Eligible Projects”) or Eligible Services, either way in Eligible Locations, after participating in good faith in Joint Project Selection, subject to sole City authority to ultimately select one or more Eligible Projects or Eligible Services in either a Campus-Adjacent or Collegetown Eligible Location.
 - The foregoing capitalized terms shall be defined as follows:
 - Eligible Projects shall be defined as: Projects or Infrastructure (including, without limitation, design, purchase, construction, maintenance and repair of same), on or pertaining to City-owned property or infrastructure, in any of the following categories: Road and bridge construction and repair, stormwater infrastructure, natural areas and gorge infrastructure (trails, barriers, etc.), construction and maintenance of sidewalks outside of a Sidewalk Improvement District, parking garage/lot construction or repair, EV charging infrastructure, parks & open space, and other projects as jointly recommended by the Cornell-City of Ithaca permanent working group. Eligible Services shall mean fire service.
 - Eligible Locations, in order of priority, shall mean: First, Cornell-Adjacent, meaning any locations in close proximity to campus, including any City-owned infrastructure on campus. If, for any given portion of the Dedicated Funds, Joint Project Selection is unable to select any Eligible Projects or Eligible Services in that location, then the next geographic

priority is Collegetown. If, for any given portion of the Dedicated Funds, Joint Project Selection is unable to select any Eligible Projects or Eligible Services in that location, then the next geographic priority is the area bounded to the west by Aurora Street and to the south by Martin Luther King Jr. / East State Street.

- Joint Project Selection shall be defined as: during at least one of its regular meetings annually, the Cornell-City of Ithaca permanent working group will discuss project selection. The parties shall provide each other with a list of proposed Eligible Projects and/or Eligible Services in Eligible Locations that meet the requirements set forth above, and use good faith efforts to select one or more mutually agreeable projects, with the City retaining ultimate decision making authority to select one or more of the Eligible Projects in either a Campus-Adjacent or Collegetown Eligible Location.
 - If jointly recommended by the Cornell-City permanent working group, Dedicated Funds may be saved, encumbered and combined by the City Controller for and across up to five calendar years for use on a specified Eligible Project or Eligible Service.
 - The City will, in its reasoned discretion, seek opportunities to use these funds for the local share of federal/state grants for eligible projects.

Inflation adjustment

Beginning with the payment due in July 2024, the voluntary direct payment shall be increased annually, in accordance with the increase (if any) in the Consumer Price Index (100=1982-1984) – U.S. City Average All Urban Consumers (“CPI-U”) published by the U.S. Department of Labor, Bureau of Labor Statistics (<https://www.bls.gov/bls/news-release/cpi.htm>), as follows:

$$\text{Adjusted Annual Payment} = 4,000,000 \times \frac{\text{CPI-U for January of that calendar year}}{299.170^1}$$

The payment shall never be reduced from the prior calendar year as a result of the above calculation, and for each year shall be at least equal to the previous year’s payment.

In the event the CPI-U is no longer published, the Parties shall use the nearest equivalent cost of living calculation that is in general use by the U.S. business community.

Faculty Expertise/Assistance

Starting July 1, 2023, and for the duration of the term, Cornell will fund an annual grant (estimated at a cost of \$100,000/year) for a faculty member to work with the City on a project of mutual interest, to be mutually agreed upon by the Cornell-City of Ithaca permanent working group.

¹ The CPI-U published for January 2023 (https://www.bls.gov/news.release/archives/cpi_02142023.htm).

Subject to approval

This term sheet is not a binding agreement. The definitive amendment drafted by Cornell and the City encompassing the terms and conditions set forth herein shall not be binding unless and until the City's Common Council and Cornell's Board of Trustees have approved these terms and the amendment has been executed.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF ITHACA AND CORNELL UNIVERSITY

October 5, 1995*
Amended October 21, 2003†
Amended _____, 2023‡

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~~150 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.

The City of Ithaca recognizes that Cornell's ability to succeed as a leading ~~national~~global 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 tens of 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

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

† As approved by the City of Ithaca Common Council on October 21, 2003, and as approved by the Cornell University Board of Trustees on October 18, 2003.

‡ As approved by the City of Ithaca Common Council on _____, 2023, and as approved by the Cornell University Board of Trustees on _____, 2023.

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~~hundreds of millions of dollars being spent locally over the next decade. By its calculation, Cornell also provides more than \$19 million per year in services on campus, a portion of which the City would otherwise have to fund, such as public safety, snow removal, sidewalk construction, and paving. 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 infrastructure and 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 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/global research university and to the City's ability to provide a high-quality physical, educational, social, and cultural environment.
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.

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 July 15, 1996, the University and the City will jointly appoint a~~ The Cornell-City of Ithaca permanent working group, comprising three executive officers of the University and the Mayor and two members of the City of Ithaca Common Council, shall continue to meet. Depending upon the particular issue, the working group may invite the head(s) of those operational units of the University and/ or the City whom the working group determines appropriate.
 - 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, and the use of dedicated funds as set forth in this MOU.
3. While Cornell University neither seeks nor expects any preferential treatment, it is mutually understood that the University is clearly entitled to be treated equitably in all its dealings with the City of Ithaca throughout the duration of this Memorandum of Understanding. Consequently, 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. In the

event and to the extent the City of Ithaca takes any action or imposes any fee that, in Cornell University’s sole judgment, is contrary to this paragraph 3 of this Memorandum of Understanding or subjects Cornell to inequitable financial burdens or arbitrary or discriminatory treatment, then Cornell University may reduce its forthcoming annual payments to the City of Ithaca by the amount Cornell has incurred in response to such action or fee. Before reducing its voluntary payments, however, Cornell University will provide the City of Ithaca 45 days notice of the amount it intends to reduce and the reasons therefore, so that University and City representatives will have sufficient opportunity to discuss such concerns during the “working group” sessions as provided in paragraph 2 of 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:as set forth below.~~

Year	Payments (\$000)		
	Fire Services	Other Municipal Services	Total
1995-96	225	25	250
1996-97	250	50	300
1997-98	275	75	350
1998-99	300	100	400
1999-00	325	125	450
2000-01	375	175	550
2001-02	400	200	600
2002-03	425	225	650
2003-04	450	250	700
2004-05	475	275	750
2005-06	550	350	900

2006-07	575	375	9501,075
2007-08	600	400	1,0001,100
2008-09			*
2009-10			*
2010-11			*
2011-12			*
2012-13			*
2013-14			*
2014-15			*
2015-16			*
2016-17			*
2017-18			*
2018-19			*
2019-20			*
2020-21			*
2021-22			*
2022-23			*
2023-24			*

a. ~~*Increased Voluntary Payment. Retroactive to July 1, 2023, Cornell shall contribute \$4,000,000 per year in the month of July, 80% of which shall be non-dedicated funds and 20% of which shall be Dedicated Funds as set forth below. The payment already made by Cornell for 2023 under the 2003 amended MOU shall be credited against this amount, and the true-up payment shall be made within thirty days following execution of this agreement. The Dedicated Funds portion of the 2023 contribution shall be 20% of the true-up payment, and shall be encumbered by the City Controller and held over for allocation as additional Dedicated Funds in calendar year 2024.~~

b. ~~Inflation adjustment. Beginning with the payment due in July 2024, the voluntary direct payment shall be increased annually based upon, in accordance with the increase (if any) in the Consumer Price Index (the United States 100=1982-1984) – U.S. City Average All Urban Consumers (“CPI-U”) published by the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index All U.S. Cities)(<https://www.bls.gov/bls/news-release/cpi.htm>), as follows:~~

a. ~~In addition to the above schedule of voluntary contributions, Cornell University is committed to providing the special additional sums of \$250,000 in FY 2004-05, \$150,000 in FY 2005-06, and \$75,000 in FY 2006-07, in recognition and support of the City’s economic development efforts during this same three year period, including but not limited to the following activities: the continuation of the City’s current citywide retention and recruitment-visitation program; continued technical and other liaison support to businesses requesting City assistance; continued participation in the Cornell University Office for Economic Development planning meetings; continued efforts to further develop the commercial centers of the City; and~~

~~a continuation of the support provided for the Ithaca Downtown Partnership and Tompkins County Area Development. If the amount of funds devoted to the City's economic development activities, which this special additional contribution is intended to support, are reduced during this three year period, then the amount of the additional sums referenced above will be reduced by the same dollar amount.~~

$$\text{Adjusted Annual Payment} = 4,000,000 \times \frac{\text{CPI-U for January of that calendar year}}{299.170^{\S}}$$

The payment shall never be reduced from the prior calendar year as a result of the above calculation, and for each year shall be at least equal to the previous year's payment.

In the event the CPI-U is no longer published, the Parties shall use the nearest equivalent cost of living calculation that is in general use by the U.S. business community.

c. Use of Dedicated Funds. The City agrees to expend Dedicated Funds only on Eligible Projects and Infrastructure ("Eligible Projects") or Eligible Services, either way in Eligible Locations, after participating in good faith in Joint Project Selection, subject to sole City authority to ultimately select one or more Eligible Projects or Eligible Services in either a Campus-Adjacent or Collegetown Eligible Location. The foregoing capitalized terms shall be defined as follows:

- o Eligible Projects shall be defined as: Projects or Infrastructure (including, without limitation, design, purchase, construction, maintenance and repair of same), on or pertaining to City-owned property or infrastructure, in any of the following categories: Road and bridge construction and repair, stormwater infrastructure, natural areas and gorge infrastructure (trails, barriers, etc), construction and maintenance of sidewalks outside of a Sidewalk Improvement District, parking garage/lot construction or repair, EV charging infrastructure, parks & open space, and other projects as jointly recommended by the Cornell-City of Ithaca permanent working group. Eligible Services shall mean fire service.
- o Eligible Locations, in order of priority, shall mean: First, Cornell-Adjacent, meaning any locations in close proximity to campus, including any City-owned infrastructure on campus. If, for any given portion of the Dedicated Funds, Joint Project Selection is unable to select any Eligible Projects or Eligible Services in that location, then the next geographic priority is Collegetown. If, for any given portion of the Dedicated Funds, Joint Project Selection is unable to select any Eligible Projects or Eligible Services in that location, then the next geographic priority is the area bounded to the west by Aurora Street and to the south by Martin Luther King Jr. / East State Street.
- o Joint Project Selection shall be defined as: at least annually, during its regular meetings, the Cornell-City of Ithaca permanent working group will discuss project selection. The parties shall provide each other with a list of proposed Eligible Projects and/or Eligible Services in Eligible Locations that meet the requirements

[§] The CPI-U published for January 2023 (https://www.bls.gov/news.release/archives/cpi_02142023.htm).

set forth above, and use good faith efforts to select one or more mutually agreeable projects, with the City retaining ultimate decision making authority to select one or more of the Eligible Projects in either a Campus-Adjacent or Collegetown Eligible Location.

- o If jointly recommended by the Cornell-City permanent working group, Dedicated Funds may be saved, encumbered and combined by the City Controller for and across up to five calendar years for use on a specified Eligible Project or Eligible Service.
- o The City will, in its reasoned discretion, seek opportunities to use these funds for the local share of federal/state grants for eligible projects.

d. Faculty Expertise/Assistance. Starting July 1, 2023, and for the duration of this Agreement, Cornell will fund an annual grant (estimated at a cost of \$100,000/year) for a faculty member to work with the City on a project of mutual interest, to be mutually agreed upon by the Cornell-City of Ithaca permanent working group.

b.e. 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.

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

e.g. 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 June 30, ~~2024~~2044. 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.

SIGNATURE

In witness hereof, we have affixed our signatures on this ~~22nd~~ _____ day of ~~December~~ 2003 2023.

Alan J. Cohen

Jeffrey S. Lehman

| [Laura Lewis](#)
Mayor
City of Ithaca

[Martha E. Pollack](#)
President
Cornell University