



## MAYOR DAVID J. NARKEWICZ

City of Northampton  
210 Main Street, Room 12  
Northampton, MA 01060-3199  
(413) 587-1249 Fax: (413) 587-1275  
mayor@northamptonma.gov

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March 25, 2016

President Kathleen McCartney  
Smith College  
College Hall, Room 201  
Northampton, MA 01063

Dear President McCartney,

I am writing to respectfully request a voluntary payment to the City of Northampton in accordance with our new Northampton Payment In Lieu Of Taxes (PILOT) Program. Your institution's voluntary payment is requested at or before the close of FY2016 on June 30, 2016.

This first-year Northampton PILOT Program payment request is equivalent to 5% of what your institution's real estate would be assessed in property taxes if not exempt minus any previously negotiated payments Smith College made to the City of Northampton this year on its exempt properties. A full breakdown of your institution's PILOT calculation and payment request is enclosed. Please note that up to 50% of the total requested payment amount may be satisfied in the form of credit for direct community services your institution provided during FY2016. A Community Services Credit form for requesting and documenting payment credit is also enclosed.

I have immense respect for the vital role that Northampton's private, tax-exempt institutions play in our community and region. As Mayor, I also have an obligation to ensure the city's ongoing fiscal stability and fund core city services like police, fire rescue, and public works critical to the well-being and success of our community and which your institution utilizes and benefits from. It is my hope that you will consider participation in the Northampton PILOT Program as a way to acknowledge that benefit and support the City of Northampton's mission as an important community partner.

Because payments to the Northampton PILOT Program are voluntary and cannot be budgeted as recurring revenue, all dollars received will be used to fund priority capital projects identified in our annually updated Five Year Capital Improvement Program. We will provide all participating institutions and the public with an itemized annual update on the critical equipment, technology, and infrastructure investments funded by the Northampton PILOT Program.

Thank you for your consideration of this request. Please contact me or my staff at (413) 587-1249 if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "David J. Narkewicz".

David J. Narkewicz  
Mayor, City of Northampton



CITY OF NORTHAMPTON  
**Northampton PILOT Program**

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**FY2016 PILOT Calculation**

**Smith College**

FY16 Exempt Valuation	\$ 420,758,090
Exemption of first \$1,000,000	\$ (1,000,000)
FY16 Revised Exempt Valuation	<u>\$ 419,758,090</u>
Tax Bill if Property were taxed at FY16 Tax Rate of \$16.16/\$1000	\$ 6,783,291
FY16 PILOT at 5%	\$ 339,165
FY16 PILOT at 5%	\$ 339,165
Less FY16 Smith Payment via Development Agreement	\$ (93,307)
Total FY16 PILOT Assessment	<u>\$ 245,857</u>

*All institutions are eligible to receive up to 50% credit toward their PILOT assessment for direct community services your institution provided during the period of July 1, 2015 - June 30, 2016. See below for a calculation of what your assessment would be with the maximum Community Services Credit applied:*

Total FY16 PILOT Assessment	\$ 245,857
Less 50% Community Services Credit - if Qualified	<u>\$ (122,929)</u>
Total FY16 PILOT Balance with Maximum Community Services Credit	\$ 122,929

Payable to:  
City of Northampton  
210 Main Street, Room 12  
Northampton, MA 01060