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Gazette Staff

NORTHAMPTON — Smith College will donate \$100,000 a year to the city for the next three years, the school said this week — an announcement that comes on the heels of Northampton Mayor David Narkewicz’s first request for voluntary PILOT payments.

On March 25, Narkewicz wrote to Smith College President Kathleen McCartney asking the school for a voluntary PILOT — or payment in lieu of taxes — sum of \$245,857 next year, half of which could be paid in kind through community contributions.

The mayor unveiled a program last fall that asks 10 of the city’s largest nonprofit, tax--exempt property owners to voluntarily contribute to city coffers, asking for a portion of what they would owe if they paid property taxes. Designed to be phased in over five years, the program will ultimately ask the nonprofits to contribute 25 percent of their bill if they paid property taxes, above the first million in property valuation. For Smith, this would amount to about \$1.66 million.

But a letter from McCartney sent to the mayor on Tuesday characterized the support as unrelated to the PILOT program.

“At Smith, we are proud of our longstanding community support and committed to creating a strong and vibrant future for Northampton,” she wrote. “We recognize that Smith would not be the special place it is without Northampton and know that many residents understand the reverse to be true as well.”

This new contribution would add to what Smith already pays the city per an annual development agreement set in 2005. Last year, its payment totaled around \$90,000. The college also pays more than \$500,000 in taxes on about 20 percent of its property which is not tax-exempt, making it the largest taxpayer in the city.

Smith College strongly objected to the mayor’s PILOT proposal last year, arguing that such programs generally require tradeoffs and could lead to cuts in other areas of community support.

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“A strong Northampton is in all of our interests. The question is whether a PILOT is the best way to achieve this,” McCartney wrote in a November column in the Gazette. “It is important to recognize the reason that independent colleges have been granted nonprofit, tax-exempt status. Long ago, our government affirmed that private colleges and universities serve a vital role in advancing society, by providing services—higher education— that the government would otherwise need to provide.”

In her letter to the mayor this week, McCartney stood by the school’s opposition to the PILOT program.

“This voluntary support, unrelated to the PILOT program, is made in the context of Smith’s non-profit, tax-exempt status as well as the considerable support the college provides to Northampton as a leading employer, a partner to our public schools, and real estate taxpayer,” she wrote.

In addition to pledging \$300,000 in unrestricted funds to the city, Smith announced several other contributions: \$100,000 to the Valley Community Development Corp., \$100,000 to the Northampton Community Arts Trust and an annual contribution of \$20,000 to the Downtown Northampton Association, launched last fall to replace the defunct Business Improvement District.

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