

December 16, 2020

Municipality, University reaffirm shared priorities in extending voluntary contribution agreement

Reflecting the strong and mutually beneficial relationship between the Municipality of Princeton and Princeton University, the town and the University have agreed to a two-year extension of the voluntary contribution agreement that outlines funding the University provides to support municipal operations. The extension runs through 2022.

The Municipal Council approved the agreement at its Dec. 14 meeting. Under the extended agreement, Princeton University will provide a total of \$8.482 million to the municipality in the next two years. Since the current agreement began in 2014, the University has contributed more than \$21.81 million to support municipal operations.

Princeton University President Christopher Eisgruber said, "Throughout the COVID pandemic the town and the University have worked together creatively and collaboratively to meet many challenges. The extension of the voluntary contribution agreement and the financial support that it provides for municipal operations is a further reflection of the University's ongoing support for the community."

Council Member Eve Niedergang, one of the town's representatives in discussions with the University, said, "This agreement is the result of our year-long discussions with Princeton University to affirm the university's commitment to the wellbeing of the municipality and its taxpayers. This short-term agreement, which continues the 4% annual increase, is one key step in continuing to build a relationship with the University focused on our mutual shared interests in maintaining the town's fiscal health, diversity of population, and thriving downtown."

Council Member Michelle Pirone Lambros, who also represented the municipality in discussions, said: "The agreement with the University represents nearly \$8.5 million of voluntary contributions from the University over the next two years, including very significant support for our firefighters. The commitment to the fire department is just one of the many ways we are partnering with the University. For example, the Princeton Small Business Resiliency Fund would not have been possible without the University's contribution of \$350,000 to support our small businesses during the pandemic."

The extended agreement includes unrestricted contributions by the University of \$3,619,200 in 2021 and \$3,764,00 in 2022.

The University has also agreed to contributions to specific needs totaling \$1.1 million. These include:

- The University will provide additional funding to support the municipality's fire department. In 2020 the Municipality of Princeton hired six career staff to support the existing volunteer fire department. The University has agreed to increase its annual

contribution immediately by providing \$550,000 to the town before the end of 2020, and \$150,000 in both 2021 and 2022 to support fire department expenses.

- The University will contribute \$250,000 to support construction of a new storage facility for the Municipal Public Works department, a commitment that had been made in the existing agreement.

In addition to these voluntary contributions, the University is the largest taxpayer in the Municipality of Princeton. In 2019 the University paid \$11.6 million in property and sewer taxes to the Municipality of Princeton. At least \$6 million of the University's annual tax payments to Princeton are made voluntarily on properties that qualify for tax exemption under New Jersey law.

Representing Princeton University in the discussions that resulted in this agreement were Vice President for Communications and Public Affairs Brent Colburn and Director of Community and Regional Affairs Kristin Appelget. In addition to Niedergang and Pirone Lambros, the Municipality of Princeton was represented by Business Administrator Marc Dashield.