

Minutes of Meeting
Advisory Board on Washington University
Thursday, October 23, 2014 at 6:30pm

Members in Attendance: Gary Nelling, Robin Williams, Kristin Sobotka, David Whiteman, Stephen Selipsky, Greg Pace, Kevin Taylor, Caryn St. Clair, Christine Albinson, Todd Swanstrom, Mae Weston, Steven Stone, Jack Breier, Councilmember Paulette Carr, Councilmember Steve Kraft

Members Absent: Raheem Adegboye

Others in Attendance: Keith Cole

Call to Order

The meeting was called to order by Mr. Nelling at 6:40pm.

Approval of Agenda

A motion was made to approve the agenda and seconded. The motion carried unanimously.

Approval of Minutes

A motion was made to approve the September 11, 2014, regular meeting minutes and seconded. The motion carried unanimously. A motion was made to approve the September 11, 2014, study session minutes and seconded. The motion carried unanimously.

Open Discussion

Mr. Nelling opened by introducing new members Mae Weston and Raheem Adegboye. Then, he began to discuss an IBA conference in Germany that discusses collaborations between universities and city to create a mutual benefit. The City of Heidelberg and its university are planning a 10 year collaboration. He suggested everyone read the report as an idea of how to prepare the final report with recommendations to the City Council.

New Business

Updates from Sub-Committees:

Sub-Committee #1: John "Jack" Breier, Stephen Selipsky, and Steven Stone

Topic of discussion was using the range of values University City properties owned by Washington University. Mr. Selipsky advised the committee the assessor's office doesn't put a lot of resources into valuing non-taxable properties so real estate advisors were consulted. Three values were obtained for the properties and the final report will reflect a range for property value. Low range is \$60,000 for one unit \$80,000 for mid-range geography, and \$100,000 for highest

value area. There is also a cash flow value for what the properties are worth as an investment, which reflects that the properties are worth mostly \$75,000, \$100,000, and \$125,000 per unit.

The committee needs to decide how to treat the new development, which is \$100 million plus \$60 million. \$60 million was the project cost, not the value of land or building. The committee's recommendation is to give it a value of \$60 million dollars multiplied by a percentage. If you use these figures to calculate the property taxes, you get \$2.3 million as a low, \$2.6 million as medium, and \$3.1 million as high. Of the \$2.6 million, the largest portion goes to the University City School District, \$1.4 million, City of University City gets \$210,000, \$100,000 to the business districts, and the Library is another \$73,000. Based on the Hancock Amendment, that is not a loss to the City, it is a loss to other tax payers. If Wash U pays the \$2.6 million, the City would have to lower its tax rates to not have an increase in income.

A motion was made to approve the methodology being used for the tax valuation portion of the report by Mr. Swanstrom and seconded by Ms. Sobotka. The motion carried unanimously.

Sub-Committee #2: Greg Pace and Kevin Taylor

Mr. Selipsky moved to delete \$3 million from the Sub-Committee #1 report and move it to Sub-Committee #2 report.

Sub-Committee #3: Christine Albinson and Caryn St. Clair

Topic of discussion was listing out the intangibles and in-kind services that are provided to City of University City by Washington University. Discovered Washington University makes yearly contributions of \$5 million. But it has been determined that these programs where the funds are allocated are not unique to City of University City. They are offered to all surrounding communities and benefit the school in some way. It is not because they are taking property off the tax rolls. Direct contributions, investments, and strictly university benefits were suggested to be the three categories. Mr. Selipsky suggested adding a column whether it is a public benefit or university benefit only.

Sub-Committee #4: Kristin Sobotka and David Whiteman

Northwestern University pays 50% of all infrastructure costs for projects adjacent to their properties. Both City of Boston and Providence have PILOTS with multiple institutions. City of Boston has a deal that each time a non-profit establishes a non-taxable property a PILOT has to be created for that property. City of Webster Groves passed an ordinance that the university cannot acquire any new buildings for use as an educational facility. Mr. Selipsky pointed out that PILOT money is not affected by the Hancock amendment. It is new money, and will not lessen the burden on the rest of the community.

Sub-Committee #5: Stephen Selipsky and Todd Swanstrom

Topic of discussion was the members are continuing to find the best way to quantify the amount of demand on City services that results from Washington University's ownership of tax exempt properties. Per capita calculation was done by taking the amount necessary to run City of University City divided by the amount of the population and multiplying that number by the 1,400 students living in City of University City in tax free properties. This total comes to \$1.3 million. \$2.7 million is the accountability of students living in both taxable and non-taxable properties. It was recommended by the committee to use all numbers and let the Council have the information to decide. These numbers only included the City budget. The number can nearly double if including the School District loss. It would total \$3 million. Mr. Selipsky proposed listing all numbers separately. Calculations were also done based on property value, which returned a very similar number as the per capita calculation.

Adjournment

The next meeting is scheduled for Thursday, November 13, 2014. The meeting adjourned at 8:51pm