Does Brown currently make direct payments to Providence?
Yes. Brown pays more than $4 million per year to the city in voluntary and property tax payments. This includes $1.2 million in voluntary payments through a 2003 Memorandum of Understanding (MOU) between Brown, the other private colleges and universities in Providence, and the city that provides $50 million over 20 years; $1.3 million in voluntary tax payments on property used for educational purposes (like 121 South Main Street); and $1.5 million on properties not used for educational purposes.

Since the 2003 MOU, how much has Brown’s expansion downtown cost the City in lost taxes?
Nothing. every property Brown has purchased downtown since the 2003 MOU was signed has remained on the tax rolls at the full commercial rate.

How many properties has Brown pulled off the tax rolls since the 2003 MOU was signed?
Only one — 154 Angell Street, the former Shell gas station, now the Perry and Marty Granoff Center for the Creative Arts. Under the 2003 MOU, Brown continues to pay the City full commercial taxes on the demolished gas station for three more years and partial taxes for 10 years after that. The University will stop paying taxes on the gas station 13 years from now.

Does Brown pay taxes on commercial properties?
Yes, Brown pays $1.1 million in property taxes on properties used for commercial purposes, such as the Bookstore and post office on Thayer Street, 61 Clifford Street (home of NabSys), and 121 South Main Street (home of Hemenway’s restaurant). Brown also pays property taxes on space it leases — $500,000 in fiscal year 2011 alone.

How many Providence residents does Brown employ?
Brown University directly employs 1,460 Providence residents.
How much property do private colleges and universities own in Providence?

Private colleges and universities in the city account for 8.1 percent of the assessed value of property in Providence — not the 40 percent often cited. The remainder of the tax-exempt property is held by city, state, and federal governments, churches, hospitals, museums, and other nonprofit organizations. The city also receives funds from the state's PILOT program, which reimburses the city for property held by private colleges, universities, and hospitals. In fiscal year 2012, the city received $23 million in state PILOT funds.

Does Brown pay the City for services it receives?

Absolutely. In addition to $4 million in voluntary and property tax payments to the city, Brown pays $2.1 million in fees to the city each year, including $1.26 million for sewer utility fees, $785,000 for water, and another $73,000 in other city and state fees.

Brown also maintains its own armed, nationally accredited campus law enforcement agency to supplement the Providence police and to ensure the safety and security of the Brown campus. Campus police and security officers patrol the campus community of 12,000, 24 hours a day, 365 days a year — a law enforcement responsibility that would otherwise fall to the city.

The University provides Providence police with space for a community policing station on Brook Street at no cost to the city and recently opened a second community substation in the Jewelry District as part of its commitment to revitalize that area. Brown also pays the city about $60,000 each year for Providence police details to supplement the force at peak periods such as Commencement. In addition, the University operates its own ambulance service.

Does Brown contribute in other ways?

In addition to thousands of hours of community service provided by Brown students and employees, Brown provides more than $4.1 million in scholarships and financial aid to Rhode Island students. Brown has active, long-term partnerships with six Providence public schools and lends support and resources to thousands of school students in Rhode Island's urban districts. Brown has raised $1.5 million toward a $10 million endowment for the children of Providence public schools, and about $250,000 in grants already has been allocated to city schools.

Brown continues to play an integral role in developing the knowledge economy bringing jobs and expertise to Providence, investing approximately $200 million in and around the Jewelry District over the last decade, purchasing and renovating facilities and providing essential research infrastructure, neighborhood enhancements, and thousands of construction-related jobs. Brown attracted and spent $170 million on research in 2009, making it the leading center of scientific research and development in Rhode Island.

Discussions with the City

What did Brown offer the city?

Appreciating the fiscal challenges facing the city and the difficult choices facing the mayor, Brown sought to be part of the solution. Brown offered Mayor Taveras a plan to enhance the $4 million in voluntary and property tax payments it already makes annually to the city by providing an additional $10 million over five years to directly support Providence public schools.

With Brown's large endowment, why can't it contribute more to Providence? Brown is legally required to spend endowment income according to donors' intent. All the revenue available to Brown is spent for University programs. In fiscal year 2011, Brown's endowment provided $111 million for the University's operating budget, about 14 percent of the revenue the University needed. The remaining revenue comes from tuition, fees, research grants, and other sources.

Yale University is often heralded as an example of positive /university relations. Given Brown's more modest size and resources, Brown's offer to enhance current payments of $4 million to Providence, by an additional $2 million per year is as generous as Yale's noteworthy contributions.

Why is Brown tax exempt?

All 50 states extend tax exemptions to non-profit colleges and universities. The basis for this tax exemption is that institutions of higher learning such as Brown add value to their communities by advancing knowledge and discovery, and by educating and preparing the next generation of citizens.

Why is it important that the City and Brown work together?

Brown is the sixth largest private employer in the state and generates significant economic activity through direct and visitor spending, purchasing, research spending, and construction activity. Brown employees pay nearly $12 million in income taxes to the state of Rhode Island.

Brown plays an integral role in developing the knowledge economy and has invested approximately $200 million in and around the Jewelry District over the last decade, purchasing and renovating facilities and providing essential research infrastructure, neighborhood enhancements and vital construction related jobs.

It is counterproductive for the City and University to be at odds when so much can be accomplished by working in a mutually cooperative, collaborative way to successfully advance economic development and the prosperity of the city of Providence and state of Rhode Island.