

**MEMORANDUM OF UNDERSTANDING
BETWEEN CITY OF BOSTON AND BOSTON UNIVERSITY
REGARDING PAYMENT IN LIEU OF TAXES**

This Memorandum of Understanding (this “MOU”) is made as of June 23, 2026, by and between Trustees of Boston University, a non-profit, educational corporation organized and existing under Chapter 180 of the Massachusetts General Laws with an address of One Silber Way, Boston, Massachusetts 02215 (hereinafter the “University”), and the City of Boston, a municipal corporation of the Commonwealth of Massachusetts with an address of One City Hall Square, Boston, Massachusetts 02201 (hereinafter the “City”), each individually, a “Party” and together, the “Parties”.

RECITALS:

- A. This MOU between the University and the City outlines the mutual understandings regarding voluntary financial contributions, both cash and in kind, to be furnished to the City by the University as part of the Payment in Lieu of Taxes (“PILOT”) program.
- B. The University, while entitled to exemption from obligations to pay local real and personal property taxes on its property pursuant to Massachusetts General Laws c. 59, § 5, recognizes that the presence of the University’s campuses in the City of Boston requires the City to furnish municipal services, and the University is willing voluntarily, and as part of the community benefits provided by the University, to make certain payments in lieu of such taxes to the City, as set forth herein.
- C. The University and the City desire to enter into this voluntary MOU in a spirit of cooperation to establish a new institutional partnership program for the provision of such voluntary payments.
- D. The execution of this MOU is guided by the following shared principles:
 - Whereas, the University, as a private, non-profit, tax-exempt entity, benefits from essential services provided by the City.
 - Whereas, the City values the University’s activities that contribute to Boston’s civic, cultural, and economic development.
 - Whereas, the University recognizes that its success depends on the safety, inclusivity, and fiscal stability of its home city.
 - Whereas, the City and the University are dedicated to maintaining a cooperative relationship with the aim of addressing shared challenges and advancing opportunities that benefit Boston residents.

- Whereas, through this MOU, the University makes a multi-year voluntary contribution that reflects its enduring partnership with the City and underscores a shared dedication to Boston's long-term success.

NOW, THEREFORE, the Parties hereby agree as follows:

- Subject Property.** The University and the City acknowledge and agree that, notwithstanding anything contained in this MOU, the real and personal property owned by the University which is now entitled to exemption from taxation (the "**Subject Property**") shall be so entitled, subject to applicable law relative to exemption from real and personal property taxation.

In the event that the University makes (a) a material acquisition of real or personal property that could be entitled to exemption from real and personal property taxation or (b) any substantial acquisitions, modifications, or sales of any portion of the Subject Property, either Party may call a meeting to discuss reasonable modifications to the Voluntary Cash Contributions (as hereinafter defined) in connection with such acquisition or material change.

- Term.** The term of this MOU shall be for a period of five (5) fiscal years, commencing with fiscal year 2026 (July 1, 2025 to June 30, 2026), and extending through fiscal year 2030 (July 1, 2029 to June 30, 2030) (the "Term"), unless otherwise terminated as set forth herein. The Parties will work in good faith to renew this MOU for an additional five (5) year term by mutual written consent of both Parties at least six (6) months prior to its expiration.
- Voluntary Annual Cash Contributions.** The University intends to make voluntary annual cash contributions to the City ("Voluntary Cash Contributions"), as follows:

Fiscal Year	Total Voluntary Cash Contribution	Increase
July 1, 2025 – June 30, 2026	\$6,700,000	\$400,000
July 1, 2026 – June 30, 2027	\$7,100,000	\$400,000
July 1, 2027 – June 30, 2028	\$7,500,000	\$400,000
July 1, 2028 – June 30, 2029	\$7,900,000	\$400,000
July 1, 2029 – June 30, 2030	\$8,300,000	\$400,000

Each annual Voluntary Cash Contribution will be made by the University to the City in two (2) equal installment payments, with the first being made on or before November 1 of each year, and the second being made on or before May 1 of each year. The University will give notice to the City at least four (4) months in advance, or as soon as possible, of any anticipated changes to the intended payment schedule.

- Community Benefits.** It is acknowledged and agreed by the City that the University currently provides community benefits, both financial and in-kind, to the City, which are exceptional and extraordinary. The University shall remain committed during the Term to

delivering annual community benefits that support City of Boston residents and otherwise align with priorities the University shares with the City. The University acknowledges the goal of making and reporting annual voluntary Community Benefits on a schedule that maintains and grows the baseline value of Community Benefits by 2.5% each year.

Fiscal Year	Community Benefit Monetary Equivalent
July 1, 2025 – June 30, 2026	\$12,715,321
July 1, 2026 – June 30, 2027	\$13,033,204
July 1, 2027 – June 30, 2028	\$13,359,034
July 1, 2028 – June 30, 2029	\$13,693,010
July 1, 2029 – June 30, 2030	\$14,035,335

Community Benefits that are eligible to be counted toward this annual goal amount are:

- Directly benefit City of Boston residents
- Support public-serving priorities shared by the City and the University
- Support City and University collaboration toward shared goals
- Quantifiable

Community benefits that are not eligible generally include those that are:

- Not quantifiable
- Community Benefits included in other arrangements, including Institutional Master Plans and Article 80
- Funded through State Determination of Need
- Routine core mission activities, except where they provide a specific, quantifiable benefit to City of Boston residents beyond ordinary institutional operations

Categories and examples of eligible Community Benefits may include:

- Scholarships and financial aid to admitted students who are residents of the City of Boston, above and beyond otherwise made available by core mission activities
- Voluntary contributions to and financial support of K-12 education with a focus on the Boston Public Schools
- Voluntary contributions and payments to public spaces, resources, parks, and related organizations

- Community access to the University's spaces
 - Voluntary contributions and financial support of the City and public-serving nonprofit organizations
 - Voluntary contributions to and financial support of City initiatives to increase housing availability in Boston
 - Voluntary contributions or public safety personnel staffing
 - Voluntary assistance, services, and scholarships provided to City employees
 - Voluntary contributions, financial support, in-kind support, and other non-financial support for programs, services, and activities directly benefiting the City of Boston, and its residents
5. **Reporting.** On an annual basis, the University shall prepare an annual public report detailing its voluntary cash contributions and community benefit activities, highlighting the benefits for Boston residents, the dollar value of each benefit, and sufficient program details. The first report will be due on April 1, 2027.

The report will be reviewed by the City – in consultation with City department leaders and community stakeholders – and the University to ensure they are consistent with City priorities and community needs. The report will also be posted on the City's website.

The City may request that the University attend an annual joint review to discuss potential adjustments to the roster of community benefits.

6. **No Waiver.** Nothing in this MOU shall be construed as a waiver by the University of its right to seek abatement of taxes on the grounds of overvaluation, misclassification, disproportionate assessment and/or illegality, nor, except as expressly provided in this MOU, shall it be construed as a waiver by the University of its right to seek abatement of taxes on the ground of exemption. Further, nothing in this MOU shall be construed to excuse the University of its obligations with respect to maintaining its tax-exempt status.
7. **Modification.** Any modification to this MOU for any reason shall be made by the mutual written consent of the Parties.
8. **Termination.** Either Party may terminate this MOU by written notice to the other at least four (4) months prior to the date the terminating Party has selected for termination.
9. **Agreement Supersedes.** This MOU shall supersede and replace any and all previous agreements between the Parties for any payments in lieu of taxes.

10. **Performance.** Any performance under this Memorandum by the Parties, their agents, servants, and employees shall be for public and governmental purposes. All privileges and immunities from liability enjoyed by nonprofit entities and/or governmental units, their agents, servants, and employees, shall extend to performance under this Memorandum to the extent permitted by Massachusetts and Federal law.
11. **Notices.** All notices and other communications to be given under this MOU shall be given in writing and delivered personally, by first-class mail, or by electronic e-mail to the appropriate Party at the address or e-mail address set forth below. Notices shall be deemed delivered upon receipt.

City of Boston
Mayor's Office
One City Hall Square
Boston, MA 02201
Attention:
Email:

With a copy to:
City of Boston Law Department
One City Hall Square
Boston, MA 02201
Attention: Corporation Counsel
Email: law@boston.gov

Boston University
One Silber Way
Boston, MA 02215
Attention: Derek Howe, Senior Vice President, Operations
Email: dhowe@bu.edu

With a copy to:
Boston University
Office of the General Counsel
125 Bay State Road
Boston, MA 02215
Attention: General Counsel
Email: buogc@bu.edu

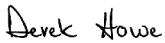
12. **Choice of Law.** This MOU shall be interpreted under the laws of the Commonwealth of Massachusetts, without regard to principles of conflicts of laws.
13. **Memorandum of Understanding.** Notwithstanding anything to the contrary contained herein, this MOU reflects the Parties' voluntary understandings and is not intended to, and does not, create any binding legal obligation on the part of either Party.

14. **Change of Law.** If at any time hereafter, due to a change in the laws applicable to exemptions from property taxation, any tax payment is made pursuant to a M.G.L. c. 59 tax assessment in a particular year for any Subject Property, such payment shall be credited against the Voluntary Cash Contribution as calculated above. Any overpayment made in a fiscal year by reason of this provision shall be credited against future Voluntary Cash Contribution.
15. **Commercial Operation.** Pursuant to applicable law, the City may assess property taxes to the University based upon commercial operation or use of any portion of the Subject Property.

[SIGNATURES ON FOLLOWING PAGE]

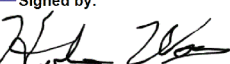
IN WITNESS WHEREOF, each of the Parties has caused this Memorandum of Understanding to be executed by its officers duly authorized as of the day and year first above written.

TRUSTEES OF BOSTON UNIVERSITY

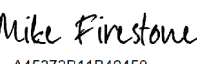
DocuSigned by:
By: 
F925D6DBC62C46E...
Name: Derek Howe
Title: Senior Vice President, Operations

THE CITY OF BOSTON

Signed by:
By: 
A8E6076EC16E47C...
Michelle Wu
Mayor

Signed by:
By: 
E18080DEDB3547B...
Name:
Title: Commissioner of Assessing

Approved as to Form:

Signed by:
By: 
A45373B11B49450...
Name: Michael Firestone
Title: Corporation Counsel